



SE/CS/2024-25/25

13<sup>th</sup> July, 2024

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: 49<sup>th</sup> Annual Report 2023-24 and notice of 49<sup>th</sup> Annual General Meeting (AGM)**

Dear Sir/Madam,

This is to inform you that the 49<sup>th</sup> AGM of the Company will be held on Wednesday, 7<sup>th</sup> August, 2024 at 11.00 a.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 2023-24 along with the Notice convening the 49<sup>th</sup> AGM of the Company.

Notice of the 49<sup>th</sup> AGM and Annual Report for the financial year 2023-24 can also be downloaded from website of the Company <https://www.chembondindia.com/annual-reports/>.

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**

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

CIN: L24100MH1975PLC018235



CHEMBOND  
CHEMICALS  
LIMITED

**49<sup>th</sup>**  
**ANNUAL**  
**REPORT**  
**2024**

**BOARD OF DIRECTORS**

<b>Mr. Ashwin R. Nagarwadia</b>	: Non-executive Director
<b>Mr. Mahendra K. Ghelani</b>	: Independent Director
<b>Mr. Nirmal V. Shah</b>	: Vice Chairman & Managing Director
<b>Dr. Prakash D. Trivedi</b>	: Independent Director
<b>Mr. Sameer V. Shah</b>	: Chairman & Managing Director
<b>Mrs. Saraswati Sankar</b>	: Independent Director
<b>Mr. Sushil U. Lakhani</b>	: Independent Director
<b>Mr. Jayesh P. Shah</b>	: Additional, Independent Director (w.e.f. 25 <sup>th</sup> May, 2024)

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**Chief Financial Officer**  
Rashmi S. Gavli

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

**Cost Auditor**  
Aatish Dhattrak & Associates

**Company Secretary**  
Suchita Singh

**Secretarial Auditor**  
Virendra G. Bhatt

**Bankers**  
HDFC Bank Limited

**Registrar & Transfer Agent**  
Link Intime India Private Limited

**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 stepdown subsidiaries (together referred to as "the Group"):

- i. Chembond Biosciences Limited
- ii. Chembond Calvatis Industrial Hygiene Systems Limited
- iii. Chembond Distribution Limited
- iv. Chembond Material Technologies Private Limited (CMTPL)
- v. Chembond Polymers and Materials Limited (merged with CMTPL w.e.f. 11<sup>th</sup> Sept' 23)
- vi. Chembond Water Technologies Limited
- vii. Phiroze Sethna Private Limited
- viii. Chembond Chemical Specialties Limited (incorporated on 12<sup>th</sup> Dec' 23)

### Step-down subsidiaries

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

### Step-down Associate

- xiii. Rewasoft Solutions Private Limited

This discussion, therefore, covers the financial results and other developments from April 2023 to March 2024, in respect of the Group. The financial year 2023-24 has been referred to as "the year" and the financial year 2022-23 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 ₹5,260 lakhs on a standalone basis and ₹46,199 lakhs on a consolidated basis. The comparative figures are tabulated below.

### Standalone and Consolidated

The highlights of the standalone and consolidated performance are as follows: (₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Net Sales	5,023	4,798	42,327	40,913
Product Margin	2,466	2,165	17,960	15,411
Gross Margin	2,163	1,340	15,087	12,724
Selling & Administration	1,655	860	6,621	5,593
Employee Cost	1,028	825	7,677	7,011
EBITDA	1,137	706	6,658	3,949
PBT	883	455	5,986	3,394

### Ratio Analysis

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Product Margin, % of Sales	49.10	45.13	42.43	37.67
Gross Margin, % of Sales	43.06	27.93	35.64	31.10
Selling & Admin Costs, % of Sales	32.95	17.92	15.64	13.67
Employee Costs, % of Sales	20.47	17.20	18.14	17.14
% EBITDA to Sales	22.63	14.71	15.73	9.65
Net Profit Margin (%)	13.76	7.78	9.59	5.71
Return on Net Worth (%)	2.96	1.63	12.29	7.80
EPS (Basic & Diluted)	5.38	2.61	33.02	18.66
Debt/Equity ratio	0.00	0.00	0.02	0.02
Debtors Turnover	2.49	2.29	3.92	4.30
Inventory Turnover	8.87	9.00	7.24	7.49
Interest Coverage ratio	121.94	71.22	51.87	33.60
Current ratio	5.52	6.39	3.08	2.85

Standalone – Selling & Admn exps were proportionately higher with top line growth and increase in freight exps. employee cost increase was due to increments and performance bonus, EBITDA & PBT was up due to increase in other income, mainly dividend & net gain from valuation of investments.

Consolidated sales growth remained strong across the operating business units. EBITDA, PBT, Net Profit and return on net worth have improved at the backdrop of strong sales growth and softening of input costs. Interest coverage ratio improved due to lower utilisation of limits.

There is no significant change (i.e. change more than 25% compared to FY 2022-23) in other key financial ratios for FY 2023-24.

## Industry Structure & Developments

### Global Economy

The global economy is influenced by a multitude of factors including trade policies, technological marvels, geopolitical intricacies, and the ebbs and flows of financial markets. One of the defining characteristics of the global economy is interconnectedness. Nations are increasingly reliant on each other for trade and investment, forming complex networks of economic relationships. This interconnectedness has been facilitated by seamless integration of transportation, communication, and technological advancements, which have made it easier for goods, services, and capital to flow across borders. As a result, events in one part of the world can have ripple effects that are felt across continents. Whilst technology has created opportunities for economic growth, it has also raised concerns about job displacement, income inequality, and privacy across the globe.

The global economy is continuing to grow at a modest pace, according to OECD's latest Economic Outlook, it projects steady global GDP growth of 3.1% in 2024, the same as the 3.1% in 2023, followed by a slight pick-up to 3.2% in 2025.

Inflation has emerged as a significant concern in many parts of the world. The echoes of supply chain disruptions, the crescendo of pent-up demand, and the symphony of fiscal stimulus measures intertwine to compose a chorus of rising prices for goods and services. Geopolitical risks, including trade tensions between the United States and China, the war between Russia and Ukraine, and regional conflicts, continue to influence the global economy. Technological innovation remains a driving force behind economic growth and transformation. Trends such as digitization, automation and adoption of artificial intelligence are reshaping industries and business models, driving productivity gains and efficiency improvements. However, technological advancements have also raised concerns about job displacement with so many global leaders laying off their employees.

Global trade patterns are evolving in response to shifting geopolitical dynamics, technological advancements, and changes in consumer preferences. Regional trade agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP), are reshaping trade flows and supply chains.

Overall, the current global economy is characterized by a mix of opportunities and challenges, with

ongoing efforts to address and manage inflationary pressures, promote sustainable growth, and navigate geopolitical uncertainties. Monitoring these trends and developments is essential for understanding the dynamics of the global economy and informing policy decisions at the national and international levels.

### Indian Economy

Throughout FY 2024, India has been one of the world's fastest-growing major economies amid global headwinds, although growth rates have fluctuated due to various factors such as global economic conditions, domestic policy changes, and structural issues.

Key sectors such as information technology, services, agriculture, and manufacturing have traditionally been significant contributors to India's GDP. Additionally, initiatives like "Make in India" aim to boost domestic manufacturing and job creation.

India's GDP leaped to 8.4% in the third quarter of the fiscal year 2024, resulting in an overall growth rate of 8.2% in FY 2023-24. This growth was driven primarily by strong performance in the manufacturing and construction sectors, which saw growth rates of 11.6% and 10.7% respectively and also due to the strong performance of the economy and the Indian governments focus on economic reforms to improve the business environment, attract foreign investment, and streamline regulations. Reforms in areas such as taxation, bankruptcy laws, and ease of doing business have made a huge impact. The Government Schemes such as The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been directly providing jobs in rural areas and indirectly creating opportunities for rural households to diversify their sources of income generation. Schemes like PM-Kisan and PM Garib Kalyan Yojana have helped in ensuring food security in the country, and their impact was also endorsed by the United Nations Development Programme (UNDP). The results of the National Family Health Survey (NFHS) also showed improvement in rural welfare.

### Chemical Industry

India ranks 11<sup>th</sup> in the World Exports of Chemicals (excluding pharmaceutical products) and ranks 6<sup>th</sup> in the World Imports of Chemicals (excluding pharmaceutical products) with the Indian Chemical Industry giving employment to more than 2 million people. The chemicals sector contributes 12% to India's total exports, highlighting its significance in the global market. Speciality chemicals, in particular, are projected to grow at a CAGR of 12%, driven by

innovations and increasing demand across various applications. As per reports of economic times in 2024, the value added per capita in this market is projected to be USD 20.6 with a value added margin of 21%. The overall market output is anticipated to be USD 143.3 billion, growing at a CAGR of 2.71% over the next five years. Additionally, the output per enterprise is projected at USD 9.1 million.

The chemicals sector is not only expanding in terms of market value but also in enterprise and employment numbers. By 2024, the number of enterprises operating in this market is expected to reach 15,730, with CAGR of 4.70% from 2024 to 2029. This growth will translate into a higher enterprise density of 11 enterprises per 100,000 populations.

The Indian chemical industry is expected to continue its growth regime due to increasing demand in various sectors such as agriculture, pharmaceuticals, and consumer goods. The industry is likely to focus on sustainability, innovation and digital transformation to stay competitive and comply with regulations.

#### **Outlook on Opportunities, Threats, Risks and Concerns**

The specialty chemicals market is showing a steady growth in India. Your Company with its infrastructure with respect to manufacturing capacities, human resources, sales and technical expertise & new product development, is well placed to capitalise on the growing demand. The Company banks on its product development skills for creating new markets and products, quality improvement and cost reduction. With advance remote monitoring and control systems based on AI, we are positioned well to manage the future of the water business in coming times. As you are aware, to leverage the arising opportunities in all of our sectors, your Company is in the process of consolidating its Water Treatment and Materials businesses into two separate listed entities - Chembond Chemical Specialties Limited and Chembond Chemicals Limited respectively.

#### **Opportunities**

1. Expansion plans being declared by various major customers, resulting in expansion of manufacturing capacities based on increased market requirements.
2. Customers looking for complete solution provider instead of product supplier to optimize overall costs and improve quality.
3. The advantage of being a professionally managed local company adaptable to quick change in current business environment.
4. India remains the fastest growing large economy.
5. In house product development centre and technical expertise.

6. Government initiatives, PLI for setting up manufacturing companies within the country.

#### **Threats**

1. Price and international shipping volatility due to the crisis in the Middle East.
2. The continuing war between Ukraine & Russia.
3. Cost competitiveness-Threats from low-cost manufacturers and Global manufacturers, particularly China.
4. Introduction of new technologies by Global suppliers resulting in obsolescence of existing technologies.
5. Changes in environmental regulations due to stringent Pollution Control and Safety Norms.
6. Increasing costs of compliance and corporate governance.
7. Cyber Attack/Data Breach.
8. Failure to Attract or Retain Top Talent.
9. Failure to Innovate / Meet Customer Needs.
10. Rapidly Changing Market Trends.

#### **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, a 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 safety, health, security and environmental risks, given the diversity and complexity of the industry in which your Company operates. The management's commitment towards employee safety, health and the environment extends beyond accidents and occupational health hazards to social well-being of employees. The Company conducts frequent SHE audits to confirm its framework protocol and regulatory compliances. The Company has a Safety, Health and Environment Policy entailing its commitment towards high standards of SHE 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 Technologies**

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. New product introductions and acquiring customers in newer segments is a continuing activity at Chembond Water and this year too we maintained momentum on this front. Our solutions are based on customer needs, years of field expertise, extensive customer system surveys, advanced performance 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 waste water to allow recycle and re-use of water while allowing the plant to run efficiently and reliably. Our solutions are positioned to afford higher water-use efficiency in industries through its appropriate treatment.

The topline growth in FY 2023-24 as compared to that of FY 2022-23 was slightly subdued. This is attributed to a sudden slowdown in our target industrial segments in the second half of the year, and also to the equipment business where there was a lower carryover of high value one-time orders to execute. In spite of these, your company ended the year with a topline growth on the back of new initiatives and account wins. What was notable however is the significant strengthening in the bottom-line of the business afforded by lower input costs, a favourable product mix sold, and an expansion in our network and segment presence.

#### **Construction Chemicals**

Revenues for the Construction Chemicals business grew over the past year by 12%. This growth is a result of an increase in demand for our products like admixtures, sealants, cementitious products, and curing compounds. We bagged source approvals for government infrastructure projects undertaken by NHAI, PWD and Metro Rail. An increase in sales volumes while guarding product margins, and controlling overheads have helped us grow the bottom-line by 32% year on year. Stability in the supply chains led to an improved on-time delivery performance. The outlook for FY 2024-25 is positive on the demand side, and we would appropriately

scale our team size in line with the opportunities. Like in the past few years, our focus on profitability and customer credit worthiness will continue to take precedence over driving an unsustainable top-line growth.

#### **Biotech**

The India animal health market size reached ₹80 billion in 2023. Looking forward, IMARC Group expects the market to reach ₹160.5 billion by 2032, exhibiting a CAGR of 7.8% during 2024-2032. The growing occurrences of zoonotic diseases, the increasing investment by the government authorities to enhance animal healthcare, and extensive research and development (R&D) activities conducted by key players are some of the major factors propelling the market.

Our Animal Health business maintained its top line with marginal growth. We continue towards more focussed business gain, thus creating value for customer and the Company.

#### **Material Technologies**

The Material Technologies business grew by 14%, primarily by continued growth in the metal treatment chemicals, sealants, industrial coating, and adhesives business. In Metal Treatment the Company made continued progress in expanding its steel, cold forming, general industry and automotive components segments. The Sealants business grew on the basis of higher production of passenger vehicles though commercial vehicle production is indicating slow down. Introduction of new technologies with specific consideration of sustainability continues to be a focus. Raw material prices have stabilized at much higher levels and have again started indicating upward trend from the last quarter of 2023-24.

#### **Industrial Hygiene**

Chembond Calvatis is a Joint Venture between your Company and Calvatis GmbH, Germany. The JV offers hygiene and cleaning solutions to the Food, Beverage, Dairy, Institutional and Hospitality segments in India. During the year under review, the sales declined as expected owing to the worldwide switchover of a key account to a single centrally approved vendor. Much of the year was invested in broadening the customer base and expanding our distribution network. We introduced our range of solutions for the Laundry, Kitchen and Housekeeping sections of Institutional customers. With this and a few other outreach initiatives, the Company is expected to return to the growth path in FY 2024-25.

## Polymers

As informed in the Annual Report 2021-22 your Company had filed an application with Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) on 6<sup>th</sup> May, 2022 for Scheme of Amalgamation, thereby merging Chembond Polymers and Materials Limited into Chembond Material Technologies Private Limited (under Section 230 to 232 and other applicable provisions of the Companies Act, 2013). The said Scheme of Amalgamation of Chembond Polymers and Materials Limited (Transferor Company) into Chembond Material Technologies Private Limited (Transferee Company) was approved by NCLT vide their order dated 11<sup>th</sup> September, 2023 with an Appointed Date of 1<sup>st</sup> April, 2022.

## Research & Development

Innovation requires effective interaction among R&D, strategy, marketing, sales, supply chain and support functions. Investment in R&D is a priority for your Company in order to build a sustainable and valuable business. In Material Technologies, we developed new sealants that won approval from automobile lines; eco-friendly products were well accepted by the steel industry; and energy saving cleaners were developed for the metal treatment industry. The Animal Health group introduced new probiotics with better delivery systems. In Water Technologies, your Company introduced new products for membrane treatment and for effluent treatment while continuing to develop more sustainable product chemistries. A range of hybrid admixtures were successfully developed and introduced for our Construction Chemicals business.

## Manufacturing

Your Company has manufacturing plants at Baddi, Dudhwada, Navi Mumbai, Pune, Ranipet and Tarapur. These plants are regularly upgraded and equipped to meet the continuously improving standards around safety, health and environment. All our plants conform to various norms and quality standards. The teams at all the 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 :2018 & ISO 14001:2015 for which we are re-certified. The Company continues to maintain its Quality Management Systems certifications as per ISO 9001:2015 & IATF 16949:2016.

Chembond Water Technologies now have their drinking water treatment products namely, "Reverse Osmosis Antiscalant", "Distillation Antiscalant" and "Antioamer" certified with "NSF ANSI 60" product certification.

We are focused on effective implementation on safety leadership for E.S.G. Excellence.

## Human Resources

The Company is committed to excellent people management processes and strives to foster a healthy work environment built on trust. Over the past couple of years, we have focused on introducing workflow automation and implementing a transparent objective setting and monitoring process. These initiatives aim to standardize procedures across our expanding operations and ensure alignment between the Company and its employees. By doing so, we collectively work towards upholding our core values.

## Industrial / Employee Relations

The Company has maintained harmonious industrial / employee relations throughout and no man-days were 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, nature, geographical spread and complexities of its operations both at the entity and the process levels. The Company's ERP system has been designed to have in-built checks



and controls. The Company leverages an advanced SAP4 HANA system for data capture, accounting, consolidation and management information purposes. Automated controls are integrated into processes to minimise deviations and exceptions, aligning with global best practices. It provides a full audit trail, logging and evaluating all changed data in the system. Accounting documents are recorded for all business transactions. The internal control framework is intended to provide reasonable assurance towards the effectiveness and efficiency of its operations, reliability of financial reporting, compliance with applicable laws and regulations, prevention and detection of frauds and errors and safeguarding its assets.

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 audits carried out by independent Chartered Accountants and periodic reviews by the Management. The internal audit process is designed to assess the adequacy of internal checks and controls in the system and covers all the significant areas of the Company's operations. Process owners undertake corrective actions in their respective areas based on the internal audit observations, 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 the 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)

The Chembond Children's Centre runs non-formal educational centres in 15 villages around Tarapur. The objective of these centres is to augment school curriculum by providing individual attention to students and improving the self-esteem of girls via skills like martial arts, dance, painting, chess, kho kho, sewing and other self-development courses. 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. The fundamental goals of Visan Trust are:

- to teach kids, especially girls, a variety of skill sets that would enable them to carve their future. Visan's unwavering thought and support towards women empowerment and education has led to

encouraging women to realize their self-worth and potential, develop a source of income for themselves and to stand strong in life independently.

- to ensure that children in rural areas get opportunities for overall development and take responsibility for their lives and the world around them.
- nurturing underprivileged children from a very young age and providing coaching for sports, chess, football, kho-kho, etc. is significant as they are the future of India.

During the year your Company donated Rs.13.98 lakhs to Visan Trust. Chembond Water Technologies Ltd, wholly owned subsidiary of the Company met its CSR goals through contributions to Visan Trust, and by donating and installing one of the latest Operation Theatre lights in the Obstetrics Department of Sir J. J. Hospital. Chembond Material Technologies Limited contributed to Visan Trust and Chembond Clean Water Technologies Limited to Akshaya Patra Foundation and PM Cares Fund.

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 2023-24 in accordance with the Indian Accounting Standards (IND AS) as specified under Section 133 of the Companies Act, 2013.

### Outlook

India has one of the youngest working populations in the world, with nearly 53% of its citizens under the age of 30. To ensure the growth and progress of the Country the Government through the Skill India Initiative under The Ministry of Skill Development and Entrepreneurship (MSDE) focuses on enhancing employability of the youth through skill development, bridging gap between demand and supply of skilled labours, upgrading existing skills, creative thinking etc. India's large and young population, referred to as a "demographic dividend," can be a tremendous asset for economic growth, when combined with further investments in upskilling its workforce and increased female participation can lead to improved productivity and innovation. The Government initiatives are aimed to encash on it.

India is set to become the third-largest economy by 2030, and we expect it will be the fastest growing major economy in the next three years surpassing Japan and Germany, (Source: S&P). The robust growth of India's domestic digital market leading to Global offshoring,

energy transition has the potential to drive the expansion of its thriving startup ecosystem over the next decade.

Additionally, in the automotive sector, India is positioned for development, leveraging infrastructure, investment, and innovation. In a report released late October, it is said that India's economy will more than double to \$7.3 trillion by 2030. (Source: S&P)

Moving ahead with the growth vision of the nation, Chembond is trying to build people capabilities, infrastructure, technology to take advantage of the expected high growth phase of the Indian industry.

### **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 &  
Managing Director  
DIN: 00105721

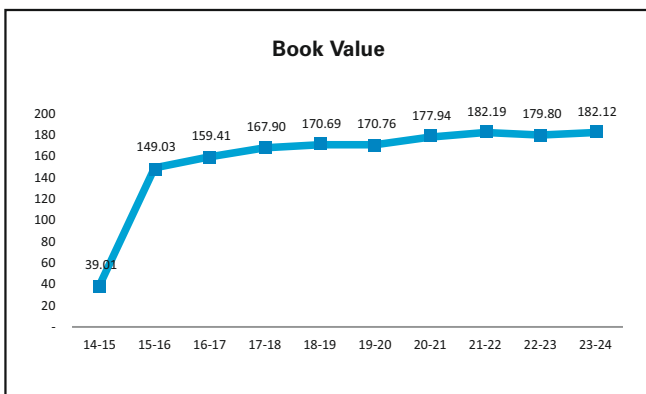
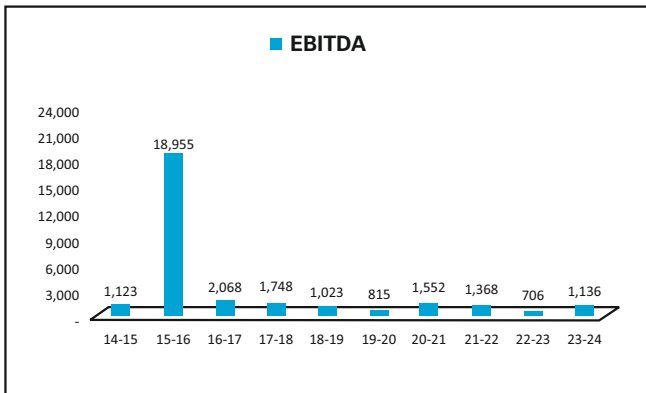
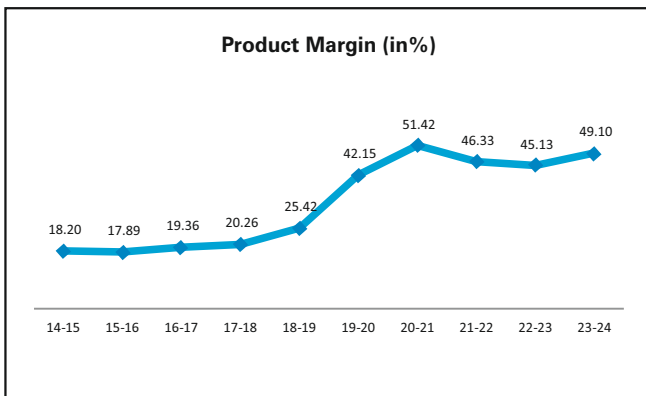
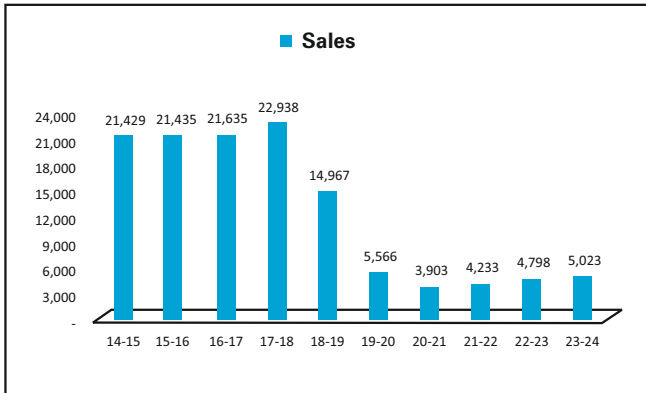
Mumbai  
25<sup>th</sup> May, 2024

sd/-

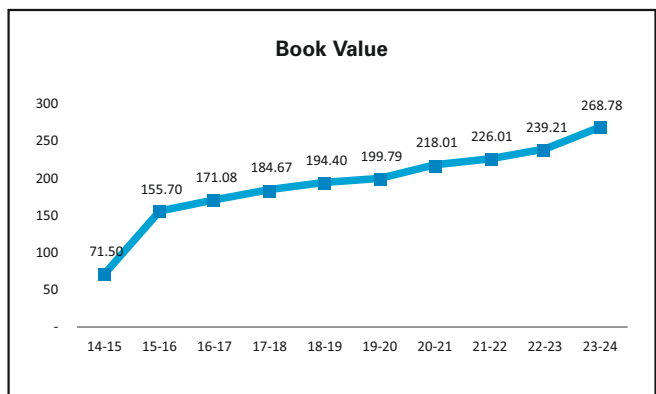
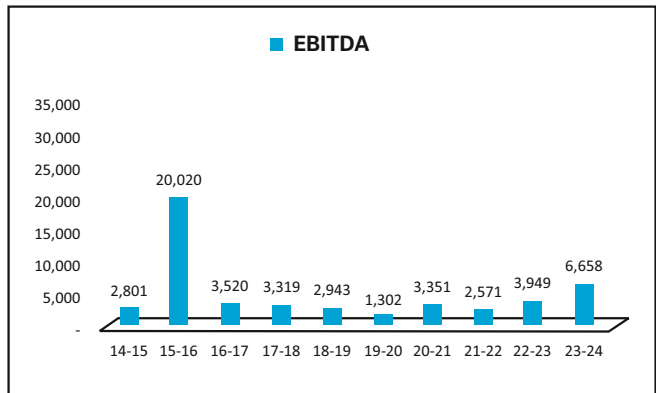
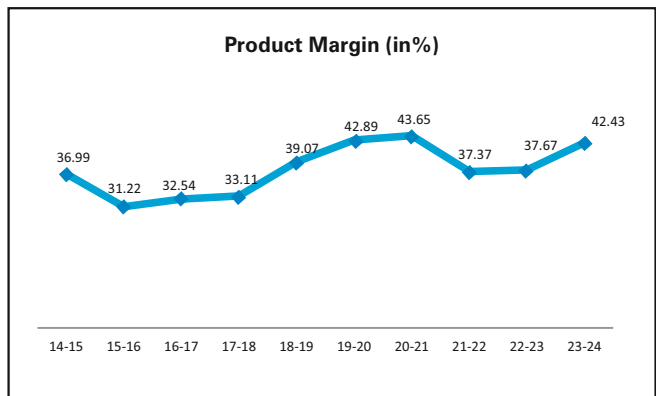
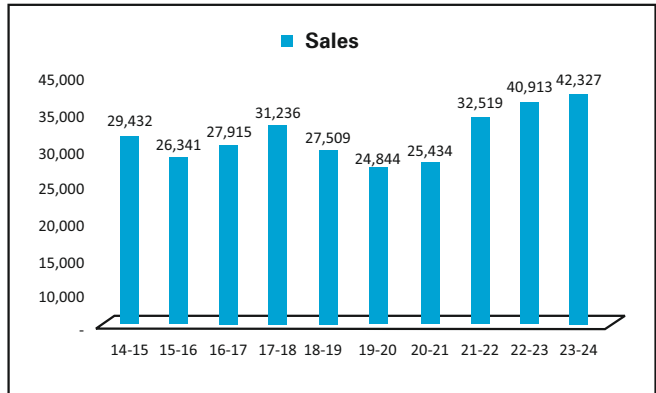
**Nirmal V. Shah**  
Vice Chairman &  
Managing Director  
DIN: 00083853

## PERFORMANCE INDICATORS

### STANDALONE



### CONSOLIDATED



All numbers in ₹Lakhs except Book Value per share and EPS.  
 Numbers adjusted for Subdivision of Shares in 2016-17 from face value of ₹10/- each to ₹5/- each.

### 10 Years' Financial Performance Standalone

(₹) in lakhs except per share data and ratios)

Highlights	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Operating Result</b>										
Revenue From Operations	5,259.57	5,086.45	4,563.92	4,203.69	5,854.29	15,628.96	23,779.03	24,367.32	21,563.77	21,674.90
Other Income	1,164.11	541.34	1,010.51	1,191.20	655.81	564.58	1,048.47	1,682.00	3,480.99	329.92
Finance Cost	7.30	6.48	4.82	7.11	4.86	29.12	54.60	63.88	118.75	273.51
Depreciation	245.97	243.87	269.93	280.46	279.84	287.77	287.18	274.10	268.57	276.21
PBT	883.23	455.37	1,092.78	1,264.90	530.81	706.27	1,406.12	1,729.97	18,567.35	573.72
PAT	723.81	395.93	874.37	967.32	554.16	633.15	1,359.31	1,451.50	15,122.59	558.33
Dividend on Equity Shares	403.45	672.41	302.59	-	537.93	248.79	221.90	-	601.97	199.81
<b>Financial Position</b>										
Equity Share Capital	672.41	672.41	672.41	672.41	672.41	672.41	672.41	672.41	669.69	666.04
Reserves (Less Revaluation Reserve & Misc exp)	23,819.05	23,508.05	23,828.85	23,257.87	22,291.87	22,282.45	21,907.35	20,765.91	19,291.49	4,529.93
Net Worth	24,491.46	24,180.46	24,501.26	23,930.28	22,964.28	22,954.86	22,579.77	21,438.32	19,961.18	5,195.97
Borrowings							467.12	732.18	819.54	2,176.85
Net Block (Asset)	4,067.88	3,552.68	3,252.55	3,414.79	3,652.39	3,763.63	3,805.35	3,936.97	3,680.86	3,617.61
<b>Ratios</b>										
Return on Average Networth %(RONW) (PAT divided by Average Networth)	2.97%	1.63%	3.61%	4.13%	2.41%	2.78%	6.18%	7.01%	120.23%	11.12%
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Fund Employed Excluding DTL)	3.66%	1.90%	4.55%	5.45%	2.35%	2.90%	6.46%	8.35%	132.63%	11.47%
Gross Gearing % (Debt as a percentage of Debt plus Equity)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.03%	3.30%	3.94%	29.53%
Current Ratio (Current Assets divided by Current Liabilities**)	5.52	6.39	9.95	7.45	7.73	4.33	1.78	3.13	2.93	1.37
Asset Turnover Ratio (Net Sales divided by Total Assets)	0.20	0.20	0.18	0.17	0.24	0.62	0.85	0.89	0.85	1.76
Earning Per Share (Basic)*	5.38	2.61	6.53	7.18	4.12	4.71	10.11	10.81	113.23	4.19
Dividend Per Share	3.00	5.00	2.25	-	4.00	1.85	1.65	-	9.00	3.00
Book Value per Share*	182.12	179.80	182.19	177.94	170.76	170.69	167.90	159.41	149.03	39.01

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 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 Consolidated**

(₹ in lakhs except per share data and ratios)

Highlights	2023-24	2022-23 @	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Operating Result</b>										
Revenue From Operations	46,198.61	44,044.41	34,898.08	27,444.58	26,804.28	30,130.94	33,422.81	32,086.11	27,104.71	30,022.85
Other Income	1,726.23	463.61	861.08	1,533.09	303.78	393.14	1,064.02	1,829.86	3,321.25	138.04
Finance Cost	117.66	104.13	68.91	42.19	78.29	78.20	118.21	116.67	181.36	361.08
Depreciation	554.54	450.53	447.86	455.45	434.80	423.98	410.67	381.56	354.51	432.32
PBT	5,986.47	3,393.63	2,053.76	2,852.92	789.21	2,440.59	2,790.28	3,021.42	19,484.02	2,007.90
PAT	4,432.09	2,516.22	1,398.57	2,040.89	308.50	1,983.64	2,356.77	2,285.73	15,650.25	1,440.27
Dividend on Equity Shares	403.45	672.41	302.59	-	537.93	248.79	221.90	-	601.97	199.81
<b>Financial Position</b>										
Equity Share Capital	672.41	672.41	672.41	672.41	672.41	672.41	672.41	672.41	669.69	666.04
Reserves (Less Revaluation Reserve & Misc exp)	35,474.11	31,497.01	29,722.64	28,646.73	26,195.52	25,471.56	24,162.33	22,335.46	20,183.93	8,858.60
Net Worth	36,146.52	32,169.42	30,395.05	29,319.14	26,867.93	26,143.97	24,834.75	23,007.87	20,853.62	9,524.64
Borrowings	668.30	652.53	150.63	188.06	337.82	670.22	908.96	888.25	1,089.79	2,495.24
Net Block (Asset)	13,553.78	12,855.74	12,069.50	12,155.39	12,391.26	10,921.78	10,813.77	4,912.55	4,714.11	5,147.03
<b>Ratios</b>										
Return on Average Networth %(RONW) (PAT divided by Average Networth)	12.98%	8.04%	4.68%	7.26%	1.16%	7.78%	9.85%	10.42%	103.04%	15.92%
Return on Average Capital Employed % ( ROCE) (PBIT divided by Average Fund Employed Excluding Def tax liab)	17.53%	11.04%	7.07%	10.21%	3.21%	9.58%	11.72%	13.69%	115.72%	17.88%
Gross Gearing % (Debt as a percentage of Debt plus Equity)	1.82%	1.99%	0.49%	0.64%	1.24%	2.50%	3.53%	3.72%	4.97%	20.76%
Current Ratio (Current Assets divided by Current Liabilities**)	3.07	2.85	3.59	3.24	3.71	3.47	2.42	3.37	2.83	2.16
Asset Turnover Ratio (Net Sales divided by Total Assets)	1.03	1.10	0.97	0.78	0.83	0.94	1.03	1.00	0.91	1.48
Earning Per Share (Basic)*	33.02	18.66	10.35	15.13	1.39	12.88	16.34	14.40	115.04	9.29
Dividend Per Share	3.00	5.00	2.25	-	4.00	1.85	1.65	-	9.00	3.00
Book Value Per Share*	268.78	239.21	226.01	218.01	199.79	194.40	184.67	171.08	155.70	71.50

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 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 49<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, 2024.

### 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	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	5,259.57	5,086.45	46,198.61	44,044.41
Total expense	5,540.45	5,172.42	41,938.88	41,113.27
Profit Before Tax	883.23	455.37	5,986.47	3,393.63
Profit for the year	723.81	395.93	4,440.97	2,509.57
Add: Balance as per last year	22,296.64	22,573.12	29,431.04	27,755.32
Add: Effect of previous year transaction	-	-	-	-
Add: Addition during the year	-	-	-	-
Less: Deduction during the year	-	-	(31.57)	(57.48)
<b>Total</b>	<b>23,020.45</b>	<b>22,969.05</b>	<b>33,840.44</b>	<b>30,207.42</b>
<b>Appropriation</b>				
General Reserves	-	-	-	93.96
Dividend Paid	403.45	672.41	403.45	672.41
Tax on Dividend Paid	-	-	-	10.00
Balance carried to Balance Sheet	22,617.00	22,296.64	33,436.99	29,431.04
<b>Total</b>	<b>23,020.45</b>	<b>22,969.05</b>	<b>33,840.44</b>	<b>30,207.42</b>

### Results of Operations

#### Income

During the year under review, consolidated revenue from operations was ₹46,198.61 lakhs as compared to ₹44,044.41 lakhs in the previous year. On the standalone basis, your Company's revenue from operations was ₹5,259.57 lakhs as compared to ₹5,086.45 lakhs in the previous year.

#### Profit Before Tax

Consolidated profit before tax for the current year was ₹5,986.47 lakhs as against ₹3,393.63 lakhs in the

previous year. On a standalone basis, your Company's profit before tax for the current year was ₹883.23 lakhs as against ₹455.37 lakhs in the previous year.

#### Profit After Tax

Consolidated profit after tax for the current year was ₹4,440.97 lakhs as against ₹2,509.57 lakhs in the previous year. On a standalone basis, your Company's profit after tax for the current year was ₹723.81 lakhs as against ₹395.93 lakhs in the previous year.

### Recent Developments at Micro and Macro Economic Levels

The governments road map for turning India into a 5 trillion economy focuses on growth at the macro level complimenting it with all inclusive welfare at the micro level. Strong economic growth in the first quarter of FY23 helped India pass the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months. (source:ibef)

The Company is continuously monitoring the economic conditions, redefining our strategies, the changing market conditions and has outlined measures to minimize its impact on business and safeguard stakeholders interest.

### Amalgamation of CPML into CMTPL

Chembond Material Technologies Private Limited and Chembond Polymers and Materials Limited had entered into a Scheme of merger and arrangement (under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Scheme') which was filed with Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) on 6<sup>th</sup> May, 2022. The said Scheme of Amalgamation of Chembond Polymers and Materials Limited (Transferor Company) into Chembond Material Technologies Private Limited (Transferee Company) and their respective shareholders was approved by NCLT vide their order dated 11<sup>th</sup> September, 2023 with an Appointed Date of 1<sup>st</sup> April, 2022.

### Incorporation of new Company

During the year under review, a new Company has been incorporated as Wholly Owned Subsidiary of the Company namely Chembond Chemical Specialties Limited w.e.f. 12<sup>th</sup> December, 2023.

### 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.

### Composite Scheme of Arrangement

The Board of Directors of the Company at its meeting held on 12<sup>th</sup> December, 2023 approved the Composite Scheme of Arrangement between Chembond Chemicals Limited ("Demerged Company"/"Transferee Company") and Chembond Chemical Specialties Limited ("Resulting Company") and Chembond Clean Water Technologies Limited ("Transferor Company No. 1" or "CCWTL") and Chembond Material Technologies Private Limited ("Transferor Company No. 2" or "CMTPL") and Phiroze Sethna Private Limited ("Transferor Company No. 3" or "PSPL") and Gramos Chemicals (India) Private Limited ("Transferor Company no. 4" or "GCIPL") and their respective shareholders under Section 230 to 232 and other applicable provisions of the Act.

The Scheme envisages transfer of Construction Chemical and Water Treatment ("CC & WT") business to its wholly owned subsidiary namely Chembond Chemical Specialties Limited by way of demerger and post demerger, amalgamation of CCWTL with Resulting Company (Amalgamation I) and amalgamation of CMTPL, PSPL and GCIPL with Demerged Company (Amalgamation II). Pursuant to the demerger, shares in the ratio of 1:2 will be issued to shareholders of CCL and shares held by CCL in CCSL will get cancelled replicating mirror shareholding pattern of CCL in CCSL. Shares held by CWTL in CCWTL will get cancelled pursuant to amalgamation I and shares held by CCL in CMTPL, PSPL and GCIPL will get cancelled pursuant to amalgamation II.

As on the date of this report the Company had satisfactorily responded to all the queries of the exchanges and was awaiting SEBIs queries / consent to the Scheme.

### Dividend

The Board of Directors have recommended final dividend of ₹3.50/- (Rupees Three and Fifty Paise only) per share (70%) for the financial year ended 31<sup>st</sup> March, 2024.

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 and 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. <https://www.chembondindia.com/all-policies/>.

### 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 2023	1,34,48,288	6,72,41,440
Increase/ Decrease during the year	Nil	Nil
Equity Capital as on 31 <sup>st</sup> March 2024	1,34,48,288	6,72,41,440

During the year 2023-24, 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 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.

### 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 2023-24 in the retained earnings.

### Directors and Key Managerial Personnel

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 Annual Report.

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.

### Appointment of Director

Based on the recommendation of Nomination and Remuneration Committee (NRC) and in accordance with the provisions of the Act and the Listing Regulations, the Company has appointed Mr. Jayesh Prabhulal Shah (DIN:00138346) as an Additional (Non-Executive and Independent) Director of the Company w.e.f. 25<sup>th</sup> May, 2024 for a period of five years, subject to approval of the members of the Company in the ensuing Annual General Meeting.

After the appointment of Mr. Shah your Company has eight Directors consisting of five Independent Directors (62.50%) including a Woman Director, two Executive Directors (25%) and one Non-executive Director (12.50%).

### 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 by the Directors.

#### **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 <https://www.chembondindia.com/all-policies/>. Salient features of the policy on remuneration of Directors have been disclosed in the Corporate Governance section of this Annual Report.

#### **Number of Board Meetings**

Five (5) 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 have carried out an evaluation of its own performance and that of its Committee 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 NRC 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 12<sup>th</sup> March, 2024, 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, 2024, 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 this Annual Report.

## Auditor's and Auditor's Report

### Statutory Auditor

Bathiya & Associates, LLP Chartered Accountants (FRN:101046W/W100063) were appointed for second term as the Statutory Auditor of the Company for a period of 5 (five) consecutive years at the 48<sup>th</sup> Annual General Meeting (AGM) held on 19<sup>th</sup> August, 2023 until the conclusion of the 53<sup>rd</sup> AGM to be held in the FY 2028 at a remuneration as may be mutually agreed upon by the Board of Directors and the Statutory Auditor.

The Report given by the Auditors on the financial statements 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 Auditor

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 25<sup>th</sup> May, 2024 appointed M/s. Aatish Dhattrak & Associates, Cost & Management Accountants, Mumbai, (FRN: 101575/Membership No. 30105) as the Cost Auditor to conduct audit of the cost records of the Company for FY 2024-25. The Company is seeking the approval of the Members for the remuneration to be paid to M/s. Aatish Dhattrak & Associates, Cost & Management Accountants for the FY ending 31<sup>st</sup> March, 2025.

M/s. Aatish Dhattrak & 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 2022-23 was filed with Ministry of Corporate Affairs on 1<sup>st</sup> September, 2023 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, 2025. 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, 2024 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 Auditor, Cost Auditor and Secretarial Auditor 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 Annual 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) and step-down associate Companies as detailed below:

Your Company has seven subsidiaries and four step-down subsidiaries and one step-down Associate Company:

- i. Chembond Biosciences Limited
- ii. Chembond Calvatis Industrial Hygiene Systems Limited
- iii. Chembond Distribution Limited
- iv. Chembond Material Technologies Private Limited (CMTPL)

- v. Chembond Polymers and Materials Limited (merged with CMTPL w.e.f. 11<sup>th</sup> September, 2023)
- vi. Chembond Chemical Specialties Limited
- vii. Chembond Water Technologies Limited
- viii. Phiroze Sethna Private Limited

**Step-down subsidiaries**

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

**Step-down Associate Company**

- xiii. Rewasoft Solutions Private Limited

The details of financial performance of the subsidiaries, step-down subsidiaries and step-down associate companies 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 <https://www.chembondindia.com/subsidiary-financials/>.

**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 FY 2023-24, Mr. Sameer V. Shah – Chairman and Managing Director received remuneration of ₹33.75 lakhs from Chembond Biosciences Limited, WOS Company, and Mr. Nirmal V. Shah, Vice Chairman and Managing Director received remuneration of ₹65.18 lakhs from Chembond Water Technologies Limited, WOS Company.

**Incentive / Commission to Directors**

Considering the performance of the Company, on the basis of recommendation by NRC, the Board of Directors at its meeting held on 25<sup>th</sup> May, 2024, approved incentive / performance linked bonus of ₹27.25 lakhs to Mr. Sameer V. Shah Chairman and Managing Director and ₹40.00 lakhs to Mr. Nirmal V. Shah Vice Chairman and Managing Director for the FY 2023-24 which will be paid in FY 2024-25.

The NRC also recommended commission to Non-executive Director for the FY 2023-24 a sum not exceeding 1% of net profit as calculated in accordance with Section 198 of the Act, as per the details mentioned below. The said incentive / commission will be paid in FY 2024-25.

Sr. No.	Name of the Director	Amount (₹ In Lakhs)
1	Ashwin R. Nagarwadia	1.00
2	Mahendra K. Ghelani *	0.00
3	Prakash D. Trivedi	1.00
4	Sushil U. Lakhani <sup>§</sup>	0.00
5	Saraswati Sankar	1.00

\* Shall receive ₹0.50 lakh from Chembond Water Technologies Limited and ₹2.50 lakh from Chembond Material Technologies Private Limited, which will be paid in FY2024-25.

§ Shall receive ₹1.50 lakh from Chembond Clean Water Technologies Limited and ₹0.50 lakhs from Chembond Water Technologies Limited, which will be paid in FY2024-25.

### Policies and Disclosure Requirements

In terms of the 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 <https://www.chembondindia.com/all-policies/>.

All Directors and Senior Management Personnel have affirmed their adherence to the provisions of the Code of Conduct during the FY 2023-24.

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

As per the requirements of the Listing Regulations, a Risk Management Committee was constituted with responsibility of preparation of Risk Management Plan, reviewing and monitoring the same on regular basis, to identify and review critical risks on regular basis, to report key changes in critical risks to the Board on an on-going basis, to report critical risks to Audit Committee in detail on yearly basis and such other functions as may be prescribed by the Board. The Company has its Risk Management Plan & Policy in place which is also displayed on the website of the Company i.e. <https://www.chembondindia.com/all-policies/>. In the opinion of the Board, during the FY 2023-24, 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 Company maintains robust internal financial control systems and processes that are commensurate with the size, nature, geographical spread and complexities of its operation both at entity and process levels 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, effectiveness and efficiency of operations, safeguarding assets from unauthorized use or losses and compliance with applicable laws and regulations. Key controls have been tested during the year and corrective and preventive actions has been taken for any weakness. During the year no frauds were 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 <https://www.chembondindia.com/all-policies/>.

### Corporate Social Responsibility

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 (CSR) 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 <https://www.chembondindia.com/all-policies/>.

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 part of this Annual report.

During the year, the Company has spent ₹13.98 lakhs on CSR activities through Visan Trust. 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 ("CWTL"), Chembond Material Technologies Private Limited ("CMTPL"), WOS and Chembond Clean Water Technologies Limited ("CCWTL") step down subsidiary of the Company spent an amount of ₹32.74 lakhs, ₹4.91 lakhs and ₹6.25 lakhs respectively on CSR activities. CWTL donated ₹12.61 lakhs to Visan Trust, ₹14.75 lakhs to Rotary Club of Bombay Bayview Charitable Trust which was utilized for installing one of the latest operation theatre lights in the obstetrics department of Sir J J Hospital, Byculla and ₹5.38 lakhs to Thirumalai Charity Trust, CMTPL donated ₹4.91 Lakhs to Visan Trust and CCWTL donated ₹5 lakhs to the Akshay Patra Foundation and ₹1.25 lakhs to PM Cares Fund towards 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 <https://www.chembondindia.com/all-policies/>. Material Related Party Transactions entered during the year are attached as **Annexure 6** in 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.

#### 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 7**.

#### 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, 2024 was 67.55% 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.

#### Annual Return as on 31<sup>st</sup> March, 2024

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 <https://www.chembondindia.com/annual-reports/>.

#### 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 Annual 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 Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy for Prevention of Sexual Harassment at workplace is available on the website of the Company <https://www.chembondindia.com/all-policies>. 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 and Sustainability Report**

The Business Responsibility and Sustainability Report for the year ended 31<sup>st</sup> March, 2024 as stipulated under Regulation 34 of the Listing Regulations is not applicable to the Company.

### **Material Changes and Commitment**

Except as disclosed elsewhere in the Report, there have been no material changes and commitment 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 one pending litigation against the Company and its Directors whose order is yet to be received. The matter is explained in detail in the Corporate Governance Section of the Annual Report. Except this 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**

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.

### **Research and Development**

The Company recognizes the need to have well equipped R&D facilities to meet customer requirements and developing cutting edge products. As a natural corollary your Company continues to invest in a comprehensive Research and Development programme leveraging its world-class infrastructure, benchmarked processes, state-of-the-art technology and a business-focused R&D strategy.

The Company has spent approx. ₹65.47 lakhs during the year under report on research and development.

### **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.

On behalf of the Board

sd/-  
**Sameer V. Shah**  
Chairman &  
Managing Director  
DIN: 00105721

Mumbai  
25<sup>th</sup> May, 2024

sd/-  
**Nirmal V. Shah**  
Vice Chairman &  
Managing Director  
DIN: 00083853

## Annexure 1

## Form No.: MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024

*[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"). The 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, 2024 ("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, 2024 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"), rules made thereunder and the Regulations, Circulars, Guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
- (iii) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (iv) The 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 – (Not applicable during the audit period);

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (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, 2024:

- (a) 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 Non-Convertible Securities) Regulations, 2021;
- (d) 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, related financial Acts and Related Party Transactions etc., For these matters, I rely on the report of statutory auditors for Financial Statement for the financial year ended 31<sup>st</sup> March, 2024.
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. All the decisions at the Meetings were 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, no specific events / actions which have a major bearing on the Company's affairs have taken place, in pursuance of the above referred laws, rules, regulations and standards except for the following:
  - A. Obtained approval from its Members at the 48<sup>th</sup> Annual General Meeting of the Company held on 19<sup>th</sup> August, 2023-
    - i. The Company has declared a Final Dividend of ₹3/- per share (60%) on fully paid equity shares of the face value of ₹5/- each of the Company for the financial year ended 31<sup>st</sup> March, 2023.
    - ii. For re-appointment of M/s. Bathiya & Associates, LLP, Chartered Accountants (FRN: 101046W / W100063) as Statutory Auditor of the Company to hold office for a term of five consecutive years from the conclusion of the 48<sup>th</sup> Annual General Meeting till the conclusion of the 53<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2028-29.
    - iii. For continuation of Directorship of Mr. Ashwin R. Nagarwadia (DIN: 00466681) beyond the age of seventy five years as a Non-executive Director.
    - iv. For approval of following Material Related Party Transactions:
      - a. Chembond Chemicals Limited with Finor Piplaj Chemicals Limited,
      - b. Calvatis Industrial Hygiene Systems Limited (a Joint Venture Company) with Chembond Chemicals Limited,
      - c. Chembond Water Technologies Limited (Wholly Owned Subsidiary) with Finor Piplaj Chemicals Limited,
      - d. Rewasoft Solutions Private Limited (Step-down Associate) with Chembond Chemicals Limited and certain identified Related Parties of the Company,
      - e. Gramos Chemicals India Private Limited (Step Down Subsidiary) with Chembond Material Technologies Private Limited (Wholly Owned Subsidiary),
      - f. Chembond Clean Water Technologies Limited (Step Down Subsidiary) with Chembond Water Technologies Limited (Wholly Owned Subsidiary)
      - g. Chembond Water Technologies (Thailand) Co. Ltd. (Step Down Subsidiary) with Chembond Water Technologies Limited (Wholly Owned Subsidiary),
      - h. Chembond Water Technologies (Malaysia) Sdn. Bhd. (Step Down Subsidiary) with Chembond Water Technologies Limited (Wholly Owned Subsidiary).
    - B. During the audit period, the Hon'ble National Company Law Tribunal, Mumbai Bench has sanctioned the Scheme of Amalgamation of Chembond Polymers and Materials Limited (Transferor Company) into Chembond Material Technologies Private Limited (Transferee Company) and their respective shareholders pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder ("the Scheme") vide their order dated 11<sup>th</sup> September, 2023.



- c. The Board of directors of the Company at its meeting held on 12<sup>th</sup> December, 2023 approved the Composite Scheme of Arrangement between Chembond Chemicals Limited ("Company" or "Demerged Company" or "Transferee Company") and certain of its subsidiaries and their respective shareholders and creditors ("Scheme"), which inter alia provides for:
- a. Demerger of the construction chemicals and water technologies businesses comprising of manufacturing, selling, distribution and trading of chemicals used in construction and civil repair industry as well as in relation to chemicals, equipment and services required for water treatment ("CC & WT Business") of the Demerged Company into Chembond Chemical Specialties Limited ("Resulting Company") on a going concern basis ("Demerger");
  - b. Amalgamation of Chembond Clean Water Technologies Limited, which would become an indirect wholly owned subsidiary company of the Resulting Company upon effectiveness of the Demerger, into and with the Resulting Company ("Amalgamation I");
  - c. Amalgamation of (i) Chembond Material Technologies Private Limited, (ii) Phiroze Sethna Private Limited and (iii) Gramos Chemicals (India) Private Limited, existing wholly owned subsidiary companies (direct and indirect) of the Transferee Company, into and with the Transferee Company ("Amalgamation II").
- The company has submitted the application for the same to both the Stock Exchanges but the matter is still under process.
8. 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. 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. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
  4. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
  5. 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.

Date: 25<sup>th</sup> May, 2024

Place: Mumbai

UDIN: A001157F000447768

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

Annexure 2

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture as on 31<sup>st</sup> March, 2024  
Part "A": Subsidiaries

(Amounts ₹ in Lakhs)

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	Proposed Dividend	% of Shareholding
1	Chembond Biosciences Limited	01.07.11		INR	190.00	(819.18)	1,379.22	2,008.40	-	2,864.87	(273.40)	(8.58)	(264.82)	-	100
2	Chembond Calvatis Industrial Hygiene Systems Limited	12.12.08		INR	49.99	113.02	192.83	29.82	138.59	206.43	(21.11)	-	(21.11)	-	55
3	Chembond Clean Water Technologies Limited\$	17.04.10		INR	827.81	837.80	2,005.85	340.25	1,064.33	3,113.60	510.03	110.11	399.91	149.00	100
4	Chembond Distribution Limited	14.12.06		INR	5.00	1,065.63	1,401.27	330.64	636.76	2,979.84	299.09	75.62	223.47	-	100
5	Chembond Material Technologies Private Limited	24.03.00		INR	151.50	2,194.72	6,373.30	4,027.08	394.20	14,854.58	1,124.41	311.52	812.90	-	100
6	Chembond Water Technologies (Malaysia) SDN. BHD.\$	24.02.16	01.04.23 till 31.03.24	RM **	29.30	78.77	153.75	45.66	-	290.18	62.37	4.20	58.17	-	100
7	Chembond Water Technologies (Thailand) Company Limited\$	06.02.20		THB***	91.60	(93.25)	154.45	156.10	-	301.90	(46.30)	-	(46.30)	-	100
8	Chembond Water Technologies Limited	12.12.84		INR	50.00	10,381.69	13,186.82	2,755.13	2,166.95	22,031.15	3,236.13	807.45	2,428.68	200.00	100
9	Gramos Chemicals India Private Limited\$	17.11.17		INR	48.00	916.81	1,666.06	701.25	-	1,170.97	13.47	14.74	(1.27)	-	100
10	Phiroze Sethna Private Limited	17.11.17		INR	4.00	948.58	1,114.11	161.54	654.61	88.87	562.56	81.25	481.31	-	100
11	Rewasoft Solutions Private Limited	06.07.22		INR	5.00	(1.54)	19.01	15.55	-	52.22	1.28	0.02	1.26	-	40
12	Chembond Chemical Specialities Limited	12.12.23	12.12.23 till 31.03.24	INR	0.50	(0.92)	0.47	0.90	-	-	(0.92)	-	(0.92)	-	100

\$ Step-down subsidiary Company of your Company.

\*\*Malaysia Ringgit - 1 RM = INR 17.64 as on 31.03.2024.

\*\*\* Thai Baht - 1 THB = INR 2.35 as on 31.03.2024

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 & Managing Director

sd/-

**Nirmal V. Shah**

Vice Chairman & Managing Director

Mumbai

25<sup>th</sup> May, 2024

## 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	18.43
Nirmal V. Shah	Vice Chairman and Managing Director	10.24

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

Name	Designation	% increase
Sameer V. Shah	Chairman and Managing Director	16.62%
Nirmal V. Shah	Vice Chairman and Managing Director	19.05%
Rashmi S. Gavli	Chief Financial Officer	12.00%
Suchita Singh	Company Secretary	42.73%

c) The percentage increase in the median remuneration of employees: 9.28%

d) The number of permanent employees: 127

The total employees at group level is 1065.

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 6.33% versus 22.60% 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 & Managing Director

DIN: 00105721

Mumbai

25<sup>th</sup> May, 2024

sd/-

**Nirmal V. Shah**

Vice Chairman & Managing Director

DIN: 00083853

## 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, 2024, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the year ended 31<sup>st</sup> March, 2024.

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: 25<sup>th</sup> May, 2024**  
**Place: Mumbai**  
**UDIN: A001157F000642481**

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

## Annexure 5

## Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2023-24

[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. Some of the Project are Visan Trust Girls Education Project and Chembond Children's Centre which runs non-formal education centres at Pasthan and Shirgaon near Tarapur. The CSR policy can be accessed at the website of Company through the weblink: <https://www.chembondindia.com/csr/>. The Company has donated the CSR amount to Visan Trust.

## 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings held	Number of meetings attended
1	Nirmal V. Shah	Chairman /Vice Chairman & Managing Director	2	2
2	Sameer V. Shah	Member/ Chairman & Managing Director	2	2
3	Ashwin R. Nagarwadia	Member/Non-Executive Director	2	2
4	Mahendra K. Ghelani	Member/Independent Director	2	2
5	Sushil U. Lakhani	Member/Independent Director	2	1

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/>
- CSR Policy: <https://www.chembondindia.com/csr/>
- CSR projects approved by the Board: <https://www.chembondindia.com/csr/>

- 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): NA
- 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 available for set-off from preceding financial years (in ₹)
1	-	Nil	Nil

- Average net profit of the Company as per Section 135(5): ₹698.85 lakhs
- Two percent of average net profit of the company as per Section 135(5): ₹13.98 lakhs
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
  - Amount required to be set off for the financial year, if any: Nil
  - Total CSR obligation for the financial year (7a + 7b - 7c): ₹13.98 lakhs
- 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
13.98	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	
				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	
				State	District			Name	CSR Registration number
1.	Promotion of Education, (Women empowerment and vocational training)	(ii)	Yes	Maharashtra, Palghar		13.98	No	Visan Trust	CSR00009446
TOTAL						13.98			

**(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): ₹13.98 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)	13.98
(ii)	Total amount spent for the Financial Year	13.98
(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

**8. (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****9. 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****10. 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 & Managing Director  
DIN: 00105721

Mumbai  
25<sup>th</sup> May, 2024

sd/-

**Nirmal V. Shah**  
Chairman, CSR Committee  
Vice Chairman & Managing Director  
DIN: 00083853

## Annexure 6

## Form No. AOC-2

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

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

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

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

**2. Details of material contracts or arrangement or transactions at arm's length basis**

a)	Name(s) of the related party and nature of relationship	Chembond Water Technologies Limited (Wholly owned Subsidiary)	Chembond Material Technologies Private Limited (Wholly owned Subsidiary)
b)	Nature of contracts/arrangements/transactions	Job Work Charges	Sale of Goods
c)	Duration of the contracts / arrangements/ transactions	As per Agreements or mutual arrangements	As per Agreements or mutual arrangements
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	As per Agreements or mutual arrangements	
e)	Justification for entering into such contracts or arrangements or transactions	As per Agreement and for regular business.	
f)	Date(s) of approval by the Board	Board Meeting dated 20 <sup>th</sup> May, 2023	
g)	Amount paid as advances, if any:	-	-

On behalf of the Board

sd/-

**Sameer V. Shah**

Chairman &amp; Managing Director

DIN: 00105721

Mumbai

25<sup>th</sup> May, 2024

sd/-

**Nirmal V. Shah**

Vice Chairman &amp; Managing Director

DIN: 00083853

## Annexure 7

**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	2023-24	2022-23
Revenue Expenditure	65.47	71.83
Capital Expenditure	-	-
<b>Total</b>	<b>65.47</b>	<b>71.83</b>

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

(₹ in Lakhs)

Particulars	2023-24	2022-23
Total Foreign Exchange Earned in terms of actual inflows	-	-
Total Foreign Exchange Outgo in terms of actual outflows	593.73	617.54

On behalf of the Board

sd/-

**Sameer V. Shah**

Chairman & Managing Director

DIN: 00105721

Mumbai

25<sup>th</sup> May, 2024

sd/-

**Nirmal V. Shah**

Vice Chairman & Managing Director

DIN: 00083853



## REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2024 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, 2024. The Board of Directors of the Company comprises of a fair combination of Executive (2 Directors i.e. 28.57%), Non-executive (1 Director i.e. 14.29%) and Independent Directors (4 Directors i.e. 57.14%) 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.
- none of the Directors on the Board is a member on more than 10 (ten) committees and chairman of more than 5 (five) committees across all the companies in which he / she is a director.

### a) The composition of the Board as on 31<sup>st</sup> March, 2024 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 2024				Director ship 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	5	5	Yes	12	-	-	-	-
Nirmal V. Shah (DIN:00083853)	PD	ED / NID	5	5	Yes	13	-	1	1	-
Ashwin R. Nagarwadia (DIN:00466681)	PD	NED / NID	5	5	Yes	7	-	-	-	-
Mahendra K. Ghelani (DIN:01108297)	NPD	NED / ID	5	5	Yes	5	-	1	-	-
Sushil U. Lakhani (DIN:01578957)	NPD	NED / ID	5	4	Yes	3	-	1	-	-
Saraswati Sankar (DIN:07133249)	NPD	NED / ID	5	4	Yes	1	-	-	-	-
Prakash D. Trivedi (DIN:00231288)	NPD	NED / ID	5	5	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	20-May-23	12-Aug-23	04-Nov-23	12-Dec-23	25-Jan-24
Board Strength	7	7	7	7	7
No. of Directors Present	6	7	7	7	6

## c) Skill Matrix of the Board of Directors

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Board provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are available with the Board:

List of core skills / expertise identified by the Board of Directors	Name of Directors						
	Sameer V. Shah	Nirmal V. Shah	Ashwin R. Nagarwadia	Mahendra K. Ghelani	Sushil U. Lakhani	Saraswati Sankar	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 Independent Directors was held on 12<sup>th</sup> March, 2024 for transacting stipulated business. The meeting chaired by Mr. Mahendra K. Ghelani was attended by Mr. Sushil U. Lakhani and Dr. Prakash D. Trivedi. 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. <https://www.chembondindia.com/all-policies/>.

## 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 2023-24 Company organized two in-house familiarization programs for Independent Directors. The details of Familiarization Programme for Independent Directors are disclosed on the website of the Company i.e. <https://www.chembondindia.com/all-policies/>.

## 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.

A brief resume of Director re-appointed along with 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 <https://www.chembondindia.com/code-of-conduct/>. All Board Members and senior management have complied with the code of conduct for the year ended 31<sup>st</sup> March, 2024. 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. management letters / letters of internal control weaknesses issued by the Statutory Auditors;
    - iii. internal audit reports relating to internal control weaknesses;
    - iv. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
    - v. 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				
		20-May-23	12-Aug-23	4-Nov-23	12-Dec-23	25-Jan-24
Mahendra K. Ghelani	Chairman	P	P	P	P	P
Sushil U. Lakhani	Member	A	P	P	P	P
Saraswati Sankar	Member	P	P	P	P	A
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 48<sup>th</sup> AGM of the Company held on 19<sup>th</sup> August, 2023.

## 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 (KMP) 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 of Nomination and Remuneration Committee (NRC) as on 31<sup>st</sup> March, 2024 and Attendance of Members:

Name of the Member	Designation	No. of meetings attended	
		20-May-23	25-Jan-24
Mahendra K. Ghelani	Chairman	P	P
Ashwin R. Nagarwadia	Member	P	P
Saraswati Sankar	Member	P	A
Sushil U. Lakhani	Member	A	P
Sameer V. Shah	Member	P	P
Prakash D. Trivedi	Member	P	P

P – Present, A – Absent

Mr. Mahendra K. Ghelani, Chairman of the Nomination and Remuneration Committee attended the 48<sup>th</sup> AGM of the Company held on 19<sup>th</sup> August, 2023.

**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.

**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 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):**

- 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 Regulations.
- 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 the Listing Regulations.

**e. Remuneration of 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 31.03.2024
<b>a. Executive Directors</b>								
Sameer V. Shah	41.52	51.43	8.30	27.25	NA	128.50 ^	Not liable to retire by rotation	16,86,844
Nirmal V. Shah	30.00	20.25	6.00	40.00	NA	96.25	Retirement by rotation	17,95,090
<b>b. Non-Executive Directors</b>								
Ashwin R. Nagarwadia**	-	-	-	1.00	4.50	5.50	Retirement by rotation	5,00,000
Mahendra K. Ghelani#	-	-	-	0.00	3.80	3.80	\$	-
Sushil U. Lakhani#	-	-	-	0.00	3.50	3.50	\$	-
Saraswati Sankar*	-	-	-	1.00	1.90	2.90	\$	-
Prakash D. Trivedi*	-	-	-	1.00	2.90	3.90	\$	-

\* Commission/incentive approved by the Board will be paid to the Directors in the current year i.e. FY 2024-25.

\*\* Apart from sitting fees Mr. Ashwin R. 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 and commission from subsidiary companies where they hold Directorship. Commission approved by subsidiaries where they hold Directorship will be paid in current year i.e. FY 2024-25.

^ Also includes contribution to Super Annuation Fund.

Note:

- Currently, the Company does not have any Stock Option plan(s) / scheme(s).
- 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/all-policies/>.
- 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 composition of the Committee and the attendance details of the Members for the year ended 31<sup>st</sup> March, 2024, are given below:

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

*Mr. Mahendra K. Ghelani, Chairman of the Stakeholders' Relationship Committee attended the 48<sup>th</sup> AGM of the Company held on 19<sup>th</sup> August, 2023.*

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, <https://www.chembondindia.com/investor-grievance/>.

As on 31<sup>st</sup> March, 2024, the Company did not have any complaint pending for resolution on the online redressal portal of SEBI i.e., SCORES. 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	2
Sushil U. Lakhani	Member	2	1
Sameer V. Shah	Member	2	2
Mahendra K. Ghelani	Member	2	2

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)

#### a. 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.

#### b. Composition as on 31<sup>st</sup> March, 2024 of Risk Management Committee and Attendance of Members:

Name of the Member	Designation	Meetings/Attendance	
		20-May-23	12-Mar-24
Sameer V. Shah	Chairman	P	P
Ashwin R. Nagarwadia	Member	P	P
Mahendra K. Ghelani	Member	P	A
Sushil U. Lakhani	Member	A	A

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

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)

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	3	3
Ashwin R. Nagarwadia	Member	3	3
Mahendra K. Ghelani	Member	3	0
Nirmal V. Shah	Member	3	3
Sushil U. Lakhani	Member	3	3

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 has adopted Whistle Blower Policy as part of Vigil Mechanism and is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Vigil Mechanism & Whistle Blower Policy encourages its employees to bring to the attention of the management any concerns about suspected misconduct and express these concerns without fear of punishment or unfair



treatment. It provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policies. The Audit Committee of the Company oversees the vigil mechanism / whistle blower policy. The policy on vigil mechanism & whistle blower policy can be accessed on the Company's website <https://www.chembondindia.com/all-policies/>

**Subsidiary, Step Down Subsidiary and Associate Companies**

The Company has seven subsidiaries, four step down subsidiaries and one step down associate Company namely:

- i. Chembond Biosciences Limited
- ii. Chembond Calvatis Industrial Hygiene Systems Limited
- iii. Chembond Distribution Limited
- iv. Chembond Material Technologies Private Limited (CMTPL)
- v. Chembond Polymers and Materials Limited (merged with CMTPL w.e.f. 11<sup>th</sup> September, 2023)
- vi. Chembond Water Technologies Limited

**General Body Meetings**

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

YEAR	AGM	LOCATION	DATE	TIME	SPECIAL RESOLUTION(S) PASSED
2021	AGM	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	23.07.2021	3.30 p.m.	1) Continuation of Directorship of Mr. Ashwin R. Nagarwadia (DIN: 00466681) beyond the age of 75 years as a Non-Executive Director.
2022	AGM		05.08.2022		1) Re-appointment of Mr. Sameer V. Shah (DIN: 00105721) as the Chairman and Managing Director of the Company. 2) Re-appointment of Mr. Nirmal V. Shah (DIN: 00083853) as the Vice Chairman and Managing Director of the Company
2023	AGM		19.08.2023	10.30 a.m	1) To approve continuation of Directorship of Mr. Ashwin R. Nagarwadia (DIN: 00466681) beyond the age of seventy five years as a Non-executive Director 2) To approve payment of Commission to Non-executive Directors of the Company for a period of 5 years commencing from 1 <sup>st</sup> April, 2023

- ii) No Postal Ballot was conducted during the year.
- iii) Person who conducted the Postal Ballot exercise: Not Applicable.
- iv) Whether special resolutions are proposed to be conducted through postal ballot: No special resolution is proposed to be conducted.
- v) 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.
- vi) Details of Extra Ordinary General Meeting held in last 3 years: No Extra Ordinary General Meetings were held in last 3 years.

- vii. Phiroze Sethna Private Limited
- viii. Chembond Chemical Specialties Limited

**Step-down subsidiaries**

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

**Step-down associate**

- xiii. Rewasoft Solutions 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. Mr. Sushil U. Lakhani, Independent Director of Chembond Chemicals Limited is on the Board of material subsidiary of the Company, Chembond Water Technologies 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 Company.

## 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 Business Standard and Mumbai Lakshdeep within the prescribed time limit, usually on the next immediate working day.

### c. Presentations made to Institutional Investors or Analysts

No presentation was made during the year

to institutional investors or analysts. However, the Company uploads the presentation on quarterly basis post Board Meeting on its website.

### d. Website where displayed

The results are also displayed on the website of the Company at <https://www.chembondindia.com/annual-reports/> and uploaded on the website of BSE and NSE.

### e. 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.

## ► General Shareholders Information

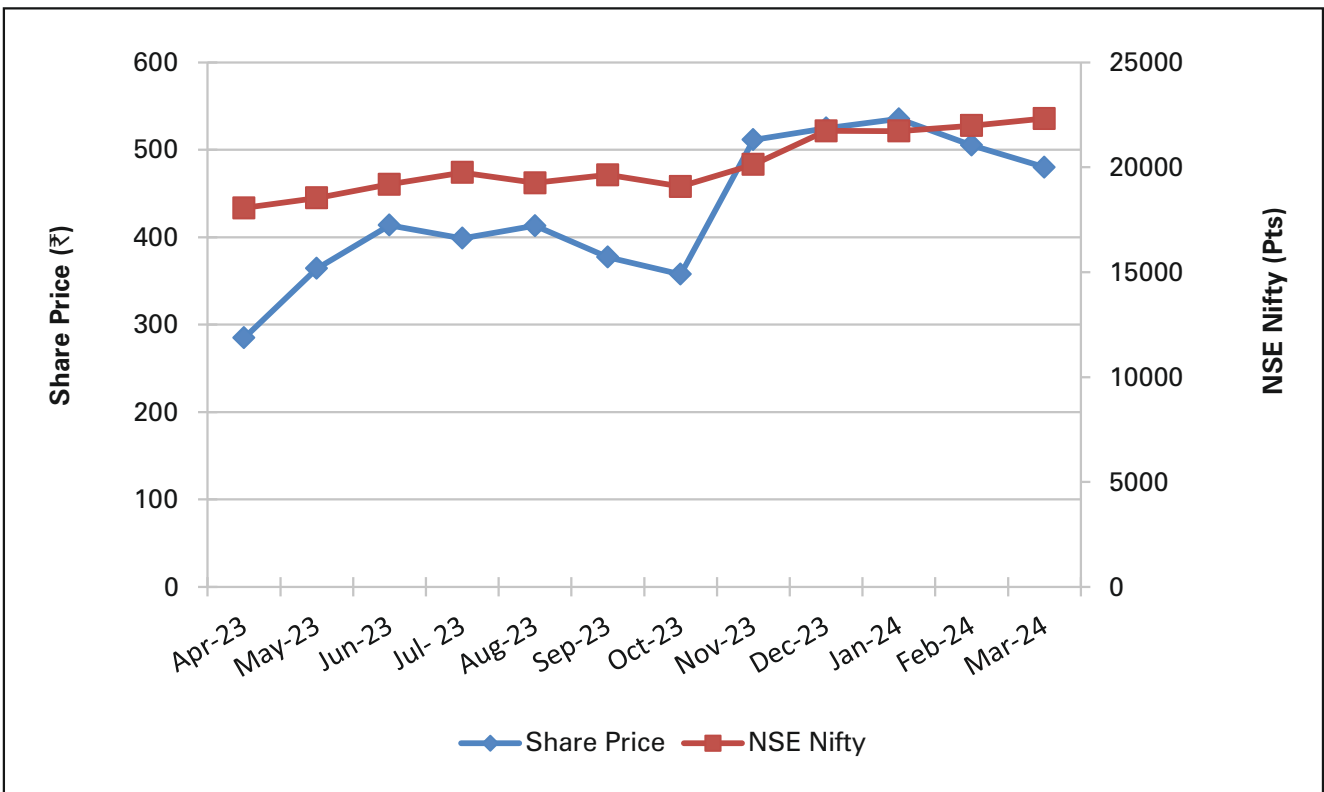
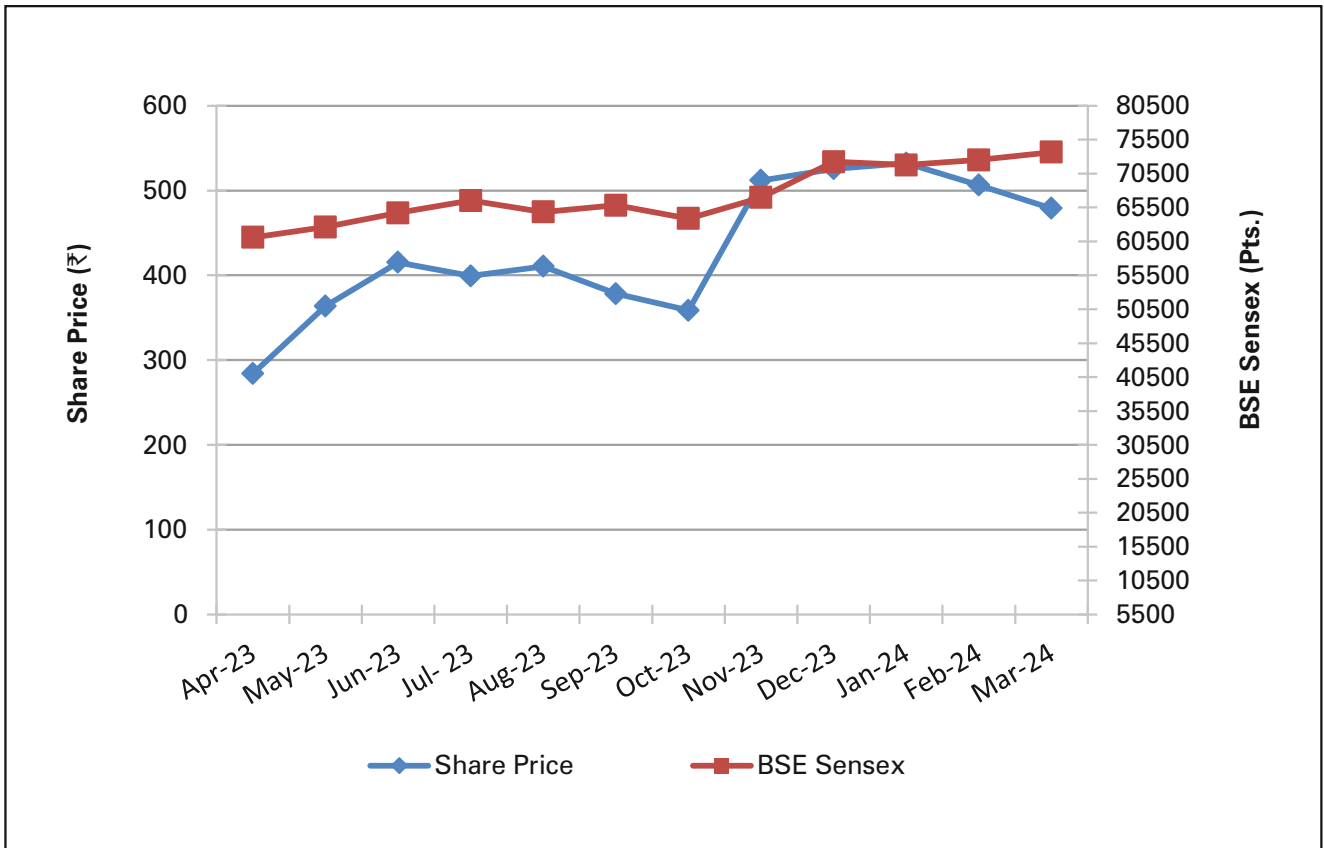
a.	Corporate Identification Number (CIN)	L24100MH1975PLC018235	
b.	Date, Time & Venue of Annual General Meeting (AGM).	<b>Wednesday, 7<sup>th</sup> August, 2024 at 11.00 am.</b> The Company is conducting meeting through VC / OAVM pursuant to the MCA circulars, hence there is no requirement to have a venue for the AGM. For more details please refer to the Notice of this AGM.	
c.	Financial Year	1 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024	
d.	Financial Calendar for 2024-2025 (tentative & subject to change)	Financial Reporting for the quarter ending	
		30.06.2024	on or before 14 <sup>th</sup> August, 2024
		30.09.2024	on or before 14 <sup>th</sup> November, 2024
		31.12.2024	on or before 14 <sup>th</sup> February, 2025
	31.03.2025	on or before 30 <sup>th</sup> May, 2025	
e.	Dividend Payment date	Final dividend, if declared shall be paid / credited on or after 12 <sup>th</sup> August, 2024	
f.	Listing on Stock Exchange	BSE Limited & National Stock Exchange of India Limited	
	Stock Exchange Address	<b>BSE Limited</b> P.J. Towers, Dalal Street, Fort, Mumbai – 400 001. Stock Code – 530871	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Mumbai - 400051 Stock Code – CHEMBOND
	ISIN	INE995D01025	
	Confirmation about payment of Annual Listing fee to Stock Exchanges	Listing fees paid for FY 2024-25	

## g. Market Price data

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of shares)	High (₹)	Low (₹)	Volume (No. of shares)
April 2023	291.90	251.50	37,136	288.40	275.00	502,876
May 2023	382.10	271.55	2,66,145	369.00	360.10	820,534
June 2023	444.70	363.50	2,25,394	433.80	409.05	835,944
July 2023	442.00	383.70	83,899	404.10	383.00	668,628
August 2023	436.05	381.65	67,993	419.90	405.05	758,394
September 2023	420.85	355.70	50,743	397.00	373.00	613,379
October 2023	393.50	330.00	28,659	373.00	355.05	441,477
November 2023	542.55	349.00	2,83,362	514.40	496.25	716,332
December 2023	588.00	487.00	1,31,521	536.25	514.05	850,851
January 2024	638.00	526.05	1,25,720	545.40	528.00	878,742
February 2024	542.30	466.50	69,102	508.95	494.05	675,159
March 2024	523.55	442.40	37,400	487.00	470.20	442,164

## 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 2023	284.20	284.90	61,112.44	18,065.00
May 2023	363.75	364.25	62,622.24	18,534.40
June 2023	415.20	413.75	64,718.56	19,189.05
July 2023	399.20	398.70	66,527.67	19,753.80
August 2023	410.50	413.15	64,831.41	19,253.80
September 2023	378.25	377.05	65,828.41	19,638.30
October 2023	358.60	357.50	63,874.93	19,079.60
November 2023	511.95	511.35	66,988.44	20,133.15
December 2023	525.65	524.80	72,240.26	21,731.40
January 2024	532.35	535.40	71,752.11	21,725.70
February 2024	506.30	505.25	72,500.30	21,982.80
March 2024	479.10	480.00	73,651.35	22,326.90



I.	Registrar and Share Transfer Agent	Link Intime India Private Limited (TSR Consultants Private Limited has merged with Link Intime India Private Limited) C-101, 1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400 083. E-mail : <a href="mailto:csg-unit@tcplindia.co.in">csg-unit@tcplindia.co.in</a> Web : <a href="http://www.linkintime.com">www.linkintime.com</a> . Mitsubishi UFJ Trust & Banking Corporation, a member of MUFG, a global financial group, has acquired 100% shareholding of Link Group, parent company of Link Intime India Pvt Ltd.
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. As mandated by SEBI, shares of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.
K.	Disclosure for securities that are suspended from trading	None of the securities of the Company were suspended from trading during the FY 2023-2024.

#### Distribution of shareholding as on 31<sup>st</sup> March, 2024

Distribution of shares according to size of holding

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding
1 – 500	9,210	89.28	731,836	5.44
501 – 1000	484	4.69	388,110	2.89
1001 – 2000	303	2.94	478,698	3.56
2001 – 3000	94	0.91	243,092	1.81
3001- 4000	45	0.44	159,419	1.19
4001 – 5000	30	0.29	140,359	1.04
5001 – 10000	61	0.59	443,955	3.30
10001 & above	89	0.86	10,862,819	80.77
<b>Total</b>	<b>10,316</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, 2024	No. of Shares	% of total shares
Promoters & their relatives	9,084,798	67.55
Banks/FIs/Insurance Co. (Central/State Govt./Non- Govt. Institutions)	47,600	0.35
Corporate Bodies	4,68,150	3.48
NRIs/OCBs	1,08,882	0.81
IEPF Account	34,264	0.25
FPI-CORPS	1,26,325	0.94
Indian Public	3,578,269	26.61
<b>Total</b>	<b>13,448,288</b>	<b>100.00</b>

**Top 10 Shareholders as on 31<sup>st</sup> March, 2024:**

Sr. No.	Name of the Shareholder	Category	No. of Shares	% of shareholding
1.	Ajay Chinubhai laloo	Individual	2,74,684	2.04
2.	Amit Ashok Thawani	Individual	99,517	0.74
3.	Acadian Emerging Markets Micro-Cap Equity Master Fund	Foreign Portfolio Investor	82,140	0.61
4.	Pegasus Growth Fund 1	Alternate Investment Funds – III	66,600	0.50
5.	Ashok J Thawani	LLP	65,195	0.48
6.	Awriga Capital Advisors LLP	Foreign Portfolio Investor	63,776	0.47
7.	Dena Bank	Financial Institution	47,600	0.35
8.	Shepherd'S Hill Private Investment Fund	Alternate Investment Fund	45,234	0.34
9.	Gokul Shrigopal Maheshwari	Individual	44,600	0.33
10.	Manish Arvind Parikh HUF	HUF	42,930	0.32

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, 2024, 13,306,964 equity shares are held in Demat form i.e. 98.95% 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	The Company does not deal with commodities. During the year ended 31 <sup>st</sup> March, 2024, 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. 2) Khasra177/2, Village Theda, Himachal Pradesh. 3) Survey No. 404/B-01, Dudhwada, Dist. Vadodara, Gujarat. 4) S-50, Phase III, SIPCOT, Ranipet, Tamilnadu. 5) W-268, TTC Area, MIDC, Rabale, Navi Mumbai, Maharashtra 6) Unit 2, Gat no. 226, Alandi Markal Road, Pune, Maharashtra. 7) A-737/5, MIDC, Mahape, Navi Mumbai, Maharashtra.
Address of Correspondence	Chembond Chemicals Limited Chembond Centre, EL-71, MIDC, Mahape, Navi Mumbai 400 710. Tel: 022 6264 3000 Fax: 022 2768 1294 website: <a href="http://www.chembondindia.com">www.chembondindia.com</a> Email for Investor Grievance: <a href="mailto:cs@chembondindia.com">cs@chembondindia.com</a>
Credit Ratings	Total Bank Loan – 12 Crore Long term Rating – CRISIL BBB+/Stable (Reaffirmed) 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 <https://www.chembondindia.com/all-policies/>. 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. <https://www.chembondindia.com/all-policies/>. 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 2023-24. 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, 2024.

##### e. Web link where policies for determining 'material subsidiaries and (ii) dealing with related party transactions are disclosed:

The required information can be accessed from the Company's website <https://www.chembondindia.com/all-policies/>.

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

The Company did not deal with commodities during the year ended 31<sup>st</sup> March, 2024

##### g. Details of utilization of funds raised through preferential allotment or qualified institutions placement.

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

**h. 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.

**i. 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 instances occurred.

**j. 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.**

M/s. Bathiya & Associates LLP (Statutory Auditor) were paid for the Company and its subsidiaries ₹31.49 lakhs for F.Y. 2023-24 (including fees for other service) and ₹21.55 lakhs for F.Y. 2023-24 to M/s. Kastury & Talati, Chartered Accountants (Statutory Auditor) from four (4) subsidiary Companies.

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

- Number of complaints filed during the financial year - 0
- Number of complaints disposed of during the financial year - 0
- Number of complaints pending as on end of the financial year - 0.

**l. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.**

Name of Material Subsidiaries	Date of Incorporation	Place of Incorporation	Name of the Statutory Auditor	Date of Appointment/ Re-appointment of Auditor
Chembond Water Technologies Limited	12.12.1984	Madras, Tamilnadu	Bathiya & Associates LLP	16.07.2021
Chembond Material Technologies Private Limited	24.03.2000	Navi Mumbai, Maharashtra	Kastury & Talati, Chartered Accountants	13.05.2023

**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, 2023, were published in Business Standard and Mumbai Lakshdeep newspapers and were also displayed on the website of the Company [www.chembondindia.com](http://www.chembondindia.com) and disseminated to BSE and NSE 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

Davendra Feeds India Private Limited has lodged. F.I.R no.231/2022 dated 24<sup>th</sup> June, 2022 with police station Safidon District Jind Haryana against Chembond Chemicals Limited, Mr. Sameer Shah (Chairman & Managing Director) and 3 other current & ex-employees, with respect to damage caused by inferior quality of Products supplied in the year 2018-19. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is being currently considered by the Competent

### Authorities and Courts.

Rajkumar Mor of Mor Hatcheries has lodged. F.I.R. no.004/2023 dated 4<sup>th</sup> January, 2023 with police station Pillukhera District Jind Haryana against one of our Distributors in Haryana and Mr. Sameer Shah (Managing Director in Chembond Biosciences Limited), regarding alleged defective supply of vitamin premix. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is currently being considered by the Competent Authorities and Courts.

Since both the matters are interlinked, they have been clubbed together and the litigations are going on at the High Court of Judicature at Punjab and Haryana.

### 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 the subsidiaries have given loan to any firms / companies in which Directors are interested.

### Unpaid / Unclaimed Dividend

The Company issued reminders to all such shareholders in respect of the Unclaimed / Unpaid Dividend, 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 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
FY 2021 – 22	5.00	05/08/2022	04/09/2029
FY 2022- 23	3.00	19/08/2023	18/09/2030

### 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,  
 Maharashtra, India.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Chembond Chemicals Limited** (hereinafter referred to as "the Company"), having CIN: L24100MH1975PLC018235 and having Registered Office at Plot No.: EL-71, TTC Ind. Area, MIDC, Mahape, Navi Mumbai - 400710, Maharashtra, India, 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, 2024 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	Ashwin Ratilal Nagarwadia	00466681	10/05/1994	10/05/1994
4	Mahendra Kalyanji Ghelani	01108297	14/09/1994	14/09/1994
5	Prakash Druman Trivedi	00231288	08/08/2015	21/05/2015
6	Saraswati Sankar	07133249	08/08/2015	24/03/2015
7	Sushil Uttamchand Lakhani	01578957	18/09/2010	11/05/2010

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: 4<sup>th</sup> May, 2024**  
**Place: Mumbai**  
**UDIN: A001157F000307155**

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

**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, 2024.

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

Place: Mumbai  
Date: 25<sup>th</sup> May, 2024

**CEO/CFO CERTIFICATION**

Certification by Managing Director & CEO and Chief Financial Officer in respect of Financial Statements and Cash Flow Statement (pursuant to regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 for the Financial Year ended 31<sup>st</sup> March 2024.

To,  
The Board of Directors,  
Chembond Chemicals Limited  
Navi Mumbai

- A. We hereby certify that, we have reviewed the financial statements and the Cash Flow Statement for the quarter and year ended 31<sup>st</sup> March, 2024 and that to the best of our knowledge and belief:-
- These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and year ended 31<sup>st</sup> March, 2024, which are fraudulent, illegal or violating the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee that:
- there have been no significant changes in internal control over financial reporting during the quarter;
  - that there have been no significant changes in accounting policies during the quarter; and
  - that there have been no instances of significant fraud, of which we have become aware, the involvement therein, if any, of the management or an employee having significant role in the Company's internal control systems over financial reporting.

sd/-  
**Sameer V. Shah**  
Chairman & Managing Director  
DIN: 00105721

Place: Mumbai  
Date: 25<sup>th</sup> May, 2024

sd/-  
**Rashmi Gavli**  
Chief Financial Officer

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

Name of Director	Nirmal V. Shah	Jayesh Prabhulal Shah
DIN	00083853	00138346
Date of Birth/ Age	18 <sup>th</sup> November, 1971/ 52 years	2 <sup>nd</sup> June, 1958/ 65 years
Date of Appointment / last re-appointment	1 <sup>st</sup> August, 2022	25 <sup>th</sup> May, 2024
Designation / Category of Directorship	Vice-Chairman and Managing Director	Independent, Non-executive Director
Expertise in specific functional area	More than 30 years of experience and exposure in managing diverse business and more than 27 years of experience in water treatment chemicals division	A Chartered Accountant with in depth knowledge of Direct and Indirect tax laws, Financial Accounting and Auditing practices and Financial management and planning
Qualification	Diploma in Business Management	Chartered Accountant, MBA Babson college, USA
Terms and conditions of appointment / re-appointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013	Appointment as an Additional / Independent Director for a term of five years commencing from 25 <sup>th</sup> May, 2024 up to 24 <sup>th</sup> May, 2029, not liable to retire by rotation
No. of Shares held in the Company	17,95,090	Nil
Details of remuneration last drawn (including sitting fees)	Please refer to the Report on Corporate Governance	Not Applicable
Directorships held in other Companies (excluding foreign companies)	Finor Piplaj Chemicals Limited; Chembond Water Technologies Limited; Visan Holdings Private Limited; Chembond Distribution Limited; S and N Ventures Private Limited; Chembond Material Technologies Private Limited; Chembond Clean Water Technologies Limited; Chembond Calvatis Industrial Hygiene Systems Limited; Chembond Biosciences Limited; Phiroze Sethna Private Limited; Gramos Chemicals India Private Limited; Rewasoft Solutions Private Limited; Chembond Chemical Specialties Limited	Shree Auburn Enterprises Private Limited; Kiron Elektrotechnik Private Limited
Name of Listed entities from which the person has resigned in the past three years	None	None

Chairperson / Members of the Committee of the Board of Directors of the Company	Chairman of Corporate Social Responsibility Committee, Member of Audit Committee and Stakeholders' Relationship Committee	Nil
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 and Chembond Material Technologies Private Limited	Nil
Brief Resume	<p>Mr. Nirmal V. Shah has over 30 years of experience and exposure to manage diverse businesses. He has been in charge of the Water Treatment Chemical division for the past 27 years. His expertise is in Organisational Management.</p>	<p>Mr. Shah possess Bachelor of Commerce Degree (1978) from Mumbai University, Masters in Business Administration (1982) from Babson College, USA and is a fellow member of the Institute of Chartered Accountants of India having qualified as a CA in the year 1980.</p> <p>A versatile, dynamic and communicative professional, who brings along four decades of extensive experience in governance, strategy and other diverse fields and capturing profitable business opportunities and motivating talented people. He has also done various certification programmes.</p> <p>He strongly believes in the economic, environment and social implications of business and understand that sustainability plays an important role in business growth and continuity.</p> <p>Mr. Shah is the Proprietor of Jayesh Shah &amp; Co. Chartered Accountants since 1980. He also serves as a Partner in H. C. Shah &amp; Co. Chartered Accountants.</p> <p>In addition to the entrepreneurial ventures, he also finds satisfaction in philanthropic activities and is actively involved as a Trustee with T&amp;TV Charitable Trust engaged in promoting and funding various educational institutions.</p>
No. of Board Meetings attended during F.Y. 2023-24	5	Not Applicable
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Relative of Mr. Sameer V. Shah (Siblings)	None

## 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 31st March 2024, 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 material 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 31st March 2024, 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.

#### 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 matters
<p><b>Contingent liabilities</b></p> <p>The Company has disclosed in note no. 40 to the standalone financial statements the contingent liabilities as at 31<sup>st</sup> March, 2024 which includes disputed liabilities in respect of income tax, service tax matters and a case lodged against the Company with respect to inferior quality of products.</p> <p>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.</p>	<p>The audit procedures included but were not limited to:</p> <ol style="list-style-type: none"> <li>Obtained the summary of all disputed matters of the Company and assessed the management's position through discussions.</li> <li>Obtained a detailed understanding of processes and controls of the Management with respect to disputed matters.</li> <li>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.</li> <li>Evaluating the evidences supporting the judgement of the management about the possible outcomes and the reasonableness of the estimates.</li> <li>Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.</li> </ol>

### **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 except for the matters stated in 3(vi) below.
  - 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.
  - e. On the basis of the written representations received from the directors as on 31st March, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024, from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in paragraph 2(b) above on reporting under section 143(3)(b) of the Act and paragraph 3(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;



- g. 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. 40 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. 45(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. 45(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 and paid during the year by the Company is in compliance with Section 123 of the Act.
  - vi. Based on our examination which included test checks, the Company has used accounting software, a payroll application and employee reimbursement for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software / application. However, audit trail feature is not enabled at the database level for accounting software to log any direct data changes as described in note no. 47 to the financial statements.  
Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software, payroll application and employee reimbursement.  
As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.
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, 2024 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  
UDIN: 24134767BKEATR5727

Place: Mumbai  
Date: 25<sup>th</sup> May, 2024

### 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 31st March, 2024)

**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 as reported in note no. 46 of the standalone financial statements

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

Particulars	Loan (₹ In lakhs)
Aggregate amount provided/ granted during the year • Subsidiaries	80.00
Balance outstanding as at Balance Sheet date in respect of above cases • Subsidiaries	1070.00

(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 banks 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 (₹In lakhs)
Aggregate amount of loans:	
Repayable on demand (A)	1070.00
Agreement does not specify any terms or period of repayment (B)	-
Total (A+B)	1070.00
Percentage of such loans to the total loans	100.00%

- (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 31st March, 2024 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 (₹ In lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	14.61	FY 2016-17	Commissioner of Income Tax (Appeals)
Finance Act, 1994 (Service Tax)	Service Tax & Cess	259.42	FY 2014-15 to FY 2017-18 (Up to June 2017)	Dy. Commissioner (Audit)
Income Tax Act, 1961	Demands pending for rectification	32.39	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
Income Tax (TDS)	TDS defaults	1.85	FY 2007-08, FY 2010-11, FY 2021-22, FY 2022-23	Assistant Commissioner of Income Tax, CPC-TDS
<b>TOTAL</b>		<b>308.27</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) On an overall examination of the Standalone Financial Statement of the Company, Funds raised on short-term basis have not been used during the year for Long-term purposes by the Company.
- (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: 25<sup>th</sup> May, 2024

## 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 31st March, 2024)

### 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 31st March, 2024 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 31st March, 2024, 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: 25<sup>th</sup> May, 2024

Standalone Balance Sheet as at 31<sup>st</sup> March 2024

	Notes	As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2	2,829.48	2,826.33
(b) Capital work-in-progress	2	1,186.85	703.04
(c) Other Intangible assets	2	51.56	23.32
(d) Financial Assets			
i) Investments	3	14,717.46	14,419.99
ii) Other financial assets	4	42.24	55.39
(e) Deferred tax Asset (Net)	4(a)	20.66	-
(f) Income tax asset (net)	5	251.20	278.81
(g) Other non-current assets	6	0.33	55.36
<b>Total Non-current assets</b>		<b>19,099.77</b>	<b>18,362.23</b>
<b>Current Assets</b>			
(a) Inventories	7	275.46	300.74
(b) Financial Assets			
i) Investments	8	2,073.11	1,914.13
ii) Trade receivables	9	1,907.48	2,310.51
iii) Cash and cash equivalents	10	224.49	89.81
iv) Bank balances other than (iii) above	11	808.33	768.25
v) Loans	12	1,070.00	1,240.31
vi) Other financial assets	13	59.75	93.82
(c) Other current assets	14	264.69	271.11
<b>Total current assets</b>		<b>6,683.31</b>	<b>6,988.68</b>
<b>Total Assets</b>		<b>25,783.08</b>	<b>25,350.91</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	15	672.41	672.41
(b) Other equity	16	23,819.04	23,508.05
<b>Total Equity</b>		<b>24,491.46</b>	<b>24,180.46</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Provisions	17	80.15	63.05
(b) Deferred tax liabilities (net)	18	-	13.42
<b>Total Non-current liabilities</b>		<b>80.15</b>	<b>76.47</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	19	20.34	49.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	661.38	742.70
ii) Other financial liabilities	20	16.51	16.64
(b) Other current liabilities	21	497.01	270.42
(c) Provisions	22	16.22	15.04
<b>Total current liabilities</b>		<b>1,211.47</b>	<b>1,093.98</b>
<b>Total Equity and Liabilities</b>		<b>25,783.08</b>	<b>25,350.91</b>
Material Accounting Policies, key accounting estimates and judgements and notes on financial statements.	1-51		

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  
DIN: 00105721

**Nirmal V. Shah**  
Vice Chairman  
& Managing Director  
DIN: 00083853

**Mahendra K. Ghelani**  
Director  
DIN: 01108297

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 25<sup>th</sup> May 2024

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 25<sup>th</sup> May 2024

**Suchita Singh**  
Company Secretary

**Standalone Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2024**

	Notes	As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
Revenue From Operations	23	5,259.57	5,086.45
Other Income	24	1,164.11	541.35
<b>Total Income</b>		<b>6,423.68</b>	<b>5,627.80</b>
<b>Expenses :</b>			
Cost of Materials Consumed	25	2,019.33	1,789.18
Purchases of Stock-in-trade	26	529.95	829.70
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	27	7.13	13.78
Employee Benefits Expense	28	1,027.96	825.21
Finance Costs	29	7.30	6.48
Depreciation and Amortisation expense	30	245.97	243.87
Other Expenses	31	1,702.80	1,464.19
<b>Total Expenses</b>		<b>5,540.45</b>	<b>5,172.42</b>
Profit before Exceptional items and Tax		883.23	455.37
Exceptional Items		-	-
<b>Profit before Tax</b>		<b>883.23</b>	<b>455.37</b>
<b>Tax Expense</b>			
Current Tax		155.30	130.08
Short/(Excess) Provision of tax of earlier years		36.22	3.81
Deferred Tax		(32.09)	(74.45)
<b>Total Tax Expenses</b>		<b>159.42</b>	<b>59.44</b>
<b>Profit for the Year</b>		<b>723.81</b>	<b>395.93</b>
<b>Other Comprehensive Income</b>			
1 i) Items that will not be reclassified to profit or loss		(11.34)	(55.26)
ii) Income Tax relating to items that will not be reclassified to profit or loss		1.98	10.94
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		-	-
<b>Other Comprehensive Income</b>		<b>(9.36)</b>	<b>(44.32)</b>
<b>Total Comprehensive Income</b>		<b>714.45</b>	<b>351.61</b>
<b>Earning Per Equity Share of Face Value of ₹5 each</b>			
Basic (in ₹)	32	5.38	2.94
Diluted (in ₹)		5.38	2.94
Material Accounting Policies, key accounting estimates and judgements and notes on financial statements. 1-51			

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  
DIN: 00105721

**Nirmal V. Shah**  
Vice Chairman  
& Managing Director  
DIN: 00083853

**Mahendra K. Ghelani**  
Director  
DIN: 01108297

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 25<sup>th</sup> May 2024

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 25<sup>th</sup> May 2024

**Suchita Singh**  
Company Secretary



**Standalone Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2024**

**(a) Equity share capital**

	No. of Shares	(₹ In lakhs)
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>13,448,288</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 2023</b>	<b>13,448,288</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 2024</b>	<b>13,448,288</b>	<b>672.41</b>

**(b) Other Equity**

(₹ in lakhs)

Particulars	Reserves and Surplus				Items of other Comprehensive Income	
	General Reserve	Share Premium	Employees Shares Options Outstanding	Retained earnings	Remeasurements of the net defined benefit Plans	Total other equity
<b>Balance as at 31st March 2022</b>	630.00	613.05	-	22,573.12	12.69	23,828.85
Profit for the year				395.93		395.93
Other comprehensive income for the year					(44.32)	(44.32)
<b>Total Comprehensive Income</b>	-	-	-	395.93	(44.32)	351.61
Dividend Paid				(672.41)		(672.41)
<b>Balance as at 31st March 2023</b>	630.00	613.05	-	22,296.63	(31.63)	23,508.05
Profit for the year				723.80		723.81
Other comprehensive income for the year					(9.36)	(9.36)
<b>Total Comprehensive Income</b>	-	-	-	723.80	(9.36)	714.45
Dividend Paid				(403.45)		(403.45)
<b>Balance as at 31st March 2024</b>	630.00	613.05	-	22,616.99	(40.99)	23,819.05

Material Accounting Policies, key accounting estimates and judgements and notes on financial statements. 1-51

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  
DIN: 00105721

**Nirmal V. Shah**  
Vice Chairman  
& Managing Director  
DIN: 00083853

**Mahendra K. Ghelani**  
Director  
DIN: 01108297

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 25<sup>th</sup> May 2024

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 25<sup>th</sup> May 2024

**Suchita Singh**  
Company Secretary

Satndalone Cash Flow Statement for the year ended 31<sup>st</sup> March 2024

(₹ in lakhs)

Particulars		2023-24		2022-23	
<b>A</b>	<b>Cash Flow from Operating Activities</b>				
	Profit before tax		883.23		455.37
	Adjustments for :				
	Depreciation and amortisation	245.97		243.87	
	Foreign Exchange Fluctuation	8.67			
	Finance Cost	7.30		6.48	
			261.94		250.36
	Less :				
	Scrap Sale of Property Plant & Equipment	35.41			
	Net Gain on Investments	639.66		156.22	
	Interest from Fixed Deposits and Loans at Effective Interest Rate	154.45		179.32	
	Profit on Sale of Property,Plant & Equipement	0.01		0.08	
	Dividend Received	202.30		91.89	
			(1,031.84)		(427.51)
	Operating Profit before working capital changes		113.33		278.23
	Adjustments for :				
	Trade and Other Receivables	511.70		(377.36)	
Inventories	(25.28)		(16.75)		
Trade and Other Payables	98.29		222.91		
		584.71		(171.19)	
Cash generated from operations		698.04		107.03	
Income taxes paid (Net of Refund)		(129.66)		(97.63)	
<b>Net Cash from Operating Activities (A)</b>		<b>568.37</b>		<b>9.40</b>	
<b>B</b>	<b>Cash Flow from Investing Activities</b>				
	Payment to acquire Property, plant & equipments		(765.45)		(566.01)
	Proceeds from Sale of Property, plant & equipments		39.60		22.08
	Interest from Fixed Deposits and Loans at Effective Interest Rate		154.45		179.32
	Purchase of Investment		(325.04)		(1,913.96)
	Sale of Investment		500.89		2,906.19
	Dividend Income		202.30		91.89
	<b>Net Cash from Investing Activities (B)</b>		<b>(193.24)</b>		<b>719.51</b>
<b>C</b>	<b>Cash Flow from Financing Activites</b>				
	Proceeds from Loan & Advances		170.31		-
	Dividend paid		(403.45)		(672.41)
	Finance Cost		(7.30)		(6.48)
	<b>Net Cash from Financing Activities (C)</b>		<b>(240.45)</b>		<b>(678.90)</b>
	<b>Net (Decrease)/Increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>134.68</b>		<b>50.01</b>
	Cash and Cash Equivalents as on Opening		89.81		39.80
	Cash and Cash Equivalents as on Closing		224.49		89.81

1 Components of Cash and Cash Equivalents

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>1) Cash &amp; Cash Equivalents:</b>		
Cash on hand	2.27	1.78
Balances with banks:		
-in current accounts	222.22	88.03
<b>Total</b>	<b>224.49</b>	<b>89.81</b>

2 The above cashflow statement has been prepared under the indirect method as set out in the IND-AS 7 on the statement of cashflow as notified under (Indian Accounting Standards) Rules, 2015 as amended

**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:

(₹ in lakhs)

Particulars	Note No.	1 <sup>st</sup> April 2023	Cashflow	Foreign Exchange Movement	31 <sup>st</sup> March 2024
- Other financial liabilities					
Unpaid dividends	20	16.64	(0.12)	-	16.51
<b>Total</b>		<b>16.64</b>	<b>(0.12)</b>	<b>-</b>	<b>16.51</b>

Particulars	Note No.	1 <sup>st</sup> April 2022	Cashflow	Foreign Exchange Movement	31 <sup>st</sup> March 2023
- Other financial liabilities					
Unpaid dividends	20	16.57	0.07	-	16.64
<b>Total</b>		<b>16.57</b>	<b>0.07</b>	<b>-</b>	<b>16.64</b>

Material Accounting Policies, key accounting estimates and judgements and notes on financial statements. 1-51

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  
DIN: 00105721

**Nirmal V. Shah**  
Vice Chairman  
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Director  
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**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 25<sup>th</sup> May 2024

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 25<sup>th</sup> May 2024

**Suchita Singh**  
Company Secretary

## Notes to the Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2024

### 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. Basis of Preparation, Material Accounting Policies, Key Accounting estimates and Judgements and Recent Accounting Pronouncements

#### 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.

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 standalone financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated.

#### 1.2 Summary of Material accounting policies

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

The cost of an item of Property, Plant and Equipment ('PPE') is recognised as an asset if, and only if, it is probable that the future economic benefits associated with the item will flow to the Company and the cost can be measured reliably,

PPE are initially recognised at cost. The initial

cost of PPE comprises its purchase price (including import duties and non-refundable purchase taxes but excluding any trade discount and rebates), and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. When an item of PPE is replaced, then its carrying amount is derecognised and the cost of the new item of PPE is recognised. Further, in case the replaced part was not depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired. All other repair and maintenance cost are recognised in Statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of PPE and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit and loss when the PPE is derecognised.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

##### 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. Intangible assets (apart from goodwill) are amortized over a period of 10 years on straight line method.

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 sales is recognised when goods are supplied and control over the Goods sold is transferred to the buyer which is on dispatch/ delivery as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sales of the goods. This is considered the appropriate point where the performance obligations in the contracts are satisfied as the Group no longer has control over the inventory sales are presented net of returns, trade discounts rebates and Goods and service tax (GST).
- ii. Revenue from services is recognised pro-

rata as and when services are rendered over a specified period of time. The company collects goods and service tax on behalf of the government and therefore it is not an economic benefit flowing to the company. Hence it is excluded from the revenue. Interest income is recognised using effective interest method on time proportion basis taking in to account the amount outstanding.

- iii. 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 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 generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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 Company's net investment outstanding in respect of the leases

#### **g) Inventories:**

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 derecognized 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 Expected Credit Loss.

**m) Trade Payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are usually unsecured. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value.

**n) 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 Income Tax is recognised using the Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and their carrying amount, except when the deferred income tax arises from the initial recognition of an assets or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

**o) 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.

**p) 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.

**Post Employment Benefits**

**I. Defined Contribution Plan:**

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

**II. Defined Benefit plans:**

**Provident Fund scheme:**

The Company makes specified monthly contributions towards Employee Provident Fund scheme in accordance with the statutory provisions Gratuity scheme

**Gratuity scheme:**

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.

**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.

**Recognition and measurement of Defined Benefit plans:**

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; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

**Other Long Term Employee Benefits:**

The Company does not allow encashment of leave Balance.

**q) 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.

**r) 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.

**s) Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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

The Company presents assets and liabilities in the balance sheet based on current/non-current classification as per IND AS 1

An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a

liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle.
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its normal operating cycle.

#### **u) 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.

#### **v) Dividend**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013 in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### **w) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

#### **1.3 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. Property Plant & Equipment - Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- b. Provisions - Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable

estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

- c. Taxes - Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could change if estimates of future taxable income changes in the future.
- d. Defined Benefit Obligations - The cost of defined benefit gratuity plans, and post-retirement medical benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

#### 1.4 Recent Accounting Pronouncements

##### (i) **New and Amended Standards Adopted by the Company:**

The Company has applied the following amendments for the first time for their annual reporting period commencing April 1, 2023 :

##### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify

how entities use measurement techniques and inputs to develop accounting estimates.

##### **Ind AS 1 – Presentation of Financial Statements**

The amendments to Ind AS 1 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. This amendment do not have any material impact on the Company's financial statements and disclosures.

##### **Ind AS 12 – Income Taxes**

The amendments to Ind AS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The above amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

##### ii) **New Standards/Amendments notified but not yet effective:**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31<sup>st</sup>, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**2 Property, plant and equipment, Intangibles and Capital work in progress as at 31<sup>st</sup> March, 2024**

(₹ in lakhs)

DESCRIPTION Particulars	GROSS BLOCK (AT COST)				DEPRECIATION INCLUDING AMORTISATION				NET BLOCK	
	As at 1.04.2023	Additions	Disposal, Transfer & Adjustments	As at 31.03.2024	As at 1.04.2023	For the Year	Disposal, Transfer & Adjustments	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
<b>Property, plant and equipment</b>										
<b>Tangible Asset</b>										
Leasehold Land	61.71	-	-	61.71	6.28	0.74	-	7.02	54.69	55.43
Freehold Land (Refer note ii)	89.15	-	-	89.15	-	-	-	-	89.15	89.15
Buildings (Refer note ii)	2,302.96	166.01	-	2468.97	478.48	73.99	-	552.47	1916.50	1824.48
Plant & Equipment (Refer note i)	1,216.27	66.88	11.02	1272.13	542.19	124.37	7.00	659.55	612.58	674.08
Computers	57.42	2.73	2.31	57.84	43.12	3.24	2.10	44.26	13.58	14.30
Furniture & Fixtures	178.16	-	-	178.16	114.45	12.61	-	127.06	51.11	63.71
Motor Cars	110.99	-	-	110.99	91.13	8.30	-	99.42	11.57	19.87
Electrical Installations & Equipment	187.71	12.20	0.10	199.81	102.40	17.17	0.06	119.51	80.30	85.31
<b>Sub- total</b>	<b>4204.38</b>	<b>247.83</b>	<b>13.43</b>	<b>4438.77</b>	<b>1,378.04</b>	<b>240.41</b>	<b>9.16</b>	<b>1609.29</b>	<b>2829.48</b>	<b>2826.33</b>
<b>Intangible Assets</b>										
Computer Software	82.56	33.81	-	116.37	59.25	5.56	-	64.81	51.56	23.31
<b>Sub- total</b>	<b>82.56</b>	<b>33.81</b>	<b>-</b>	<b>116.37</b>	<b>59.25</b>	<b>5.56</b>	<b>0.00</b>	<b>64.81</b>	<b>51.56</b>	<b>23.31</b>
<b>Total</b>	<b>4286.93</b>	<b>281.64</b>	<b>13.43</b>	<b>4555.14</b>	<b>1437.30</b>	<b>245.97</b>	<b>9.16</b>	<b>1674.10</b>	<b>2881.04</b>	<b>2849.64</b>
<b>Previous Year</b>	<b>4570.77</b>	<b>62.73</b>	<b>346.56</b>	<b>4286.93</b>	<b>1358.27</b>	<b>243.87</b>	<b>164.86</b>	<b>1437.30</b>	<b>2849.64</b>	<b>3212.50</b>
<b>Capital Work in Progress</b>	<b>703.04</b>	<b>62.73</b>	<b>199.65</b>	<b>1186.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,186.85</b>	<b>703.04</b>

- i) Additions to Plant & Equipment Includes:- R&D Laboratory equipments addition for Mahape Lab-1- Nil (Previous year ₹Nil), Dudhwada Lab-2- ₹Nil (Previous Year ₹Nil).  
ii) All Title Deeds pertaining to Land & Building are in the name of the company.

**2 Property, plant and equipment, Intangibles and Capital work in progress as at 31<sup>st</sup> March, 2023**

(₹ in lakhs)

DESCRIPTION Particulars	GROSS BLOCK (AT COST)				DEPRECIATION INCLUDING AMORTISATION				NET BLOCK	
	As at 1.04.2022	Additions	Disposal, Transfer & Adjustments	As at 31.03.2023	As at 1.04.2022	For the Year	Disposal, Transfer & Adjustments	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
<b>Property, plant and equipment</b>										
<b>Tangible Asset</b>										
Leasehold Land	61.71	-	-	61.71	5.38	0.90	-	6.28	55.43	56.33
Freehold Land (Refer note ii)	89.15	-	-	89.15	-	-	-	0.00	89.15	89.15
Buildings (Refer note ii)	2,330.28	15.92	43.24	2302.96	410.61	71.75	3.88	478.48	1824.48	1919.67
Plant & Equipment (Refer note i)	1,466.49	38.79	289.01	1216.27	571.95	122.23	151.99	542.19	674.08	894.54
Computers	58.29	4.69	5.56	57.42	45.89	2.41	5.19	43.12	14.30	12.40
Furniture & Fixtures	176.12	2.32	0.28	178.16	102.47	12.17	0.20	114.45	63.71	73.64
Motor Cars	110.99	-	-	110.99	77.87	13.26	-	91.13	19.87	33.13
Electrical Installations & Equipment	195.15	1.01	8.45	187.71	89.06	16.93	3.58	102.40	85.31	106.09
<b>Sub- total</b>	<b>4488.18</b>	<b>62.73</b>	<b>346.53</b>	<b>4204.37</b>	<b>1,303.23</b>	<b>239.64</b>	<b>164.83</b>	<b>1378.05</b>	<b>2826.33</b>	<b>3184.94</b>
<b>Intangible Assets</b>										
Computer Software	82.59	-	0.03	82.56	55.04	4.23	0.02	59.25	23.31	27.54
<b>Sub- total</b>	<b>82.59</b>	<b>-</b>	<b>0.03</b>	<b>82.56</b>	<b>55.04</b>	<b>4.23</b>	<b>0.02</b>	<b>59.25</b>	<b>23.31</b>	<b>27.54</b>
<b>Total</b>	<b>4570.77</b>	<b>62.73</b>	<b>346.56</b>	<b>4286.93</b>	<b>1358.27</b>	<b>243.87</b>	<b>164.86</b>	<b>1437.30</b>	<b>2849.64</b>	<b>3212.48</b>
<b>Previous Year</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>3212.48</b>	<b>3371.88</b>
<b>Capital Work in Progress</b>	<b>40.07</b>	<b>699.40</b>	<b>36.43</b>	<b>703.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>703.04</b>	<b>40.07</b>

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

- ii) All Title Deeds pertaining to Land & Building are in the name of the company.  
iii) Previous year figures have been regrouped and reclassified wherever necessary.

**3 Financial Assets (Non-Current)**

	<u>As at 31/03/2024</u> ₹ in lakhs	<u>As at 31/03/2023</u> ₹ in lakhs
<b>Investments</b>		
<b>Investment in equity instruments of subsidiaries at cost (Unquoted)</b>		
5,00,000(PY-5,00,000) Equity Shares of Chembond Water Technologies Ltd of Rs.10/- each fully paid up. (Constituting 100.00%(100.00%) of the said Company's paid up capital)	4,887.86	4,887.86
15,15,000 (PY-15,15,000) Equity Shares of Chembond Material Technologies Pvt. Ltd of Rs.10/- each fully paid up (Constituting 100 %(100%) of the said Company's paid up capital)	2,039.08	2,039.08
19,00,000 (PY-19,00,000) Equity Shares of Chembond Biosciences Limited of Rs.10/- each fully paid up (Constituting 100 %(100.00%) of the said Company's paid up capital)	190.00	190.00
27,49,414 (PY-27,49,414) Equity Shares of Chembond Calvatis Industrial Hygiene Systems Limited of Rs.1/- each fully paid up (Constituting 55.00 %(55.00%) of the said Company's paid up capital)	32.39	32.39
4,000 (PY-4,000) Equity Shares of Phiroze Sethna Private Ltd. of Rs. 100/- each fully paid up. (Constituting 100.00%(100.00%) of the said Company's paid up capital)	4,126.90	4,126.90
5,00,000 (PY-5,00,000) Equity Shares of Chembond Distribution Ltd. Ltd of Rs. 1/- each fully paid up. (Constituting 100.00%(100.00%) of the said Company's paid up capital)	92.40	92.40
10,000 (PY- Nil) Equity Shares Chembond Chemical Specialties Limited of ₹5/- each fully paid. (Constituting 100.00% of the said Company's paid up capital)	0.50	-
<b>Investments in Equity Shares carried at fair value through Profit and Loss (Unquoted)</b>		
2,848 (PY-2,848) Equity Shares of Tarapur Environment Protection Organisation Ltd. of Rs. 100/- each fully paid up.	3.79	3.88
<b>(Quoted)</b>		
15,000 (PY-15,000) Equity Shares of Hindustan Petroleum Corporation Ltd.of Rs. 10/- each fully paid up.	71.35	35.52
<b>Investments in Gilt fund carried at fair value through Profit and Loss (Quoted)</b>		
1,00,991.79 (PY-1,00,991.79) Units of SBI Magnum Gilt Fund-Long Term Reg (G)	60.37	55.68
34,64,004.77(PY-34,64,004.77) Units of ICICI Prudential Short Term Gilt Fund (G)	3,212.81	2,956.27
<b>Total</b>	<b>14,717.46</b>	<b>14,419.99</b>
Aggregate amount of Quoted Investments and market value there of	3,344.53	3,047.47
Aggregate amount of Unquoted Investments	11,372.93	11,372.52
Aggregate amount of Impairment in value of investment		-
<b>4 Other Non- Current Financial Assets</b>		
(Unsecured & considered good)		
Bank Deposits with more than 12 months maturity	7.41	1.01
Other Deposits	34.83	54.38
<b>Total</b>	<b>42.24</b>	<b>55.39</b>
<b>4(a) Deferred Tax Assets (Net)</b>		
Deferred tax Liability		
Written Down Value of Property Plant & Equipment	366.28	-
Investments at Fair Value	182.23	-
<b>Total</b>	<b>548.50</b>	<b>-</b>

	As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
Deferred tax Asset		
Gratuity	28.06	-
MAT Credit	499.87	-
Accrued expenses allowed in the year of payment	9.75	-
Provision for expected credit loss	31.49	-
	<b>569.16</b>	<b>-</b>
<b>Net Deferred Tax Assets</b>	<b>20.66</b>	<b>-</b>
<b>5 Income tax asset (net)</b>		
Advance Income Tax (Net of Provision)	251.20	278.81
<b>Total</b>	<b>251.20</b>	<b>278.81</b>
<b>6 Other non-current assets</b>		
Capital Advances	-	54.13
Prepaid expenses	0.33	1.23
<b>Total</b>	<b>0.33</b>	<b>55.36</b>
<b>7 Inventories</b> (At lower of Cost or Net Realisable Value)		
Raw Materials	161.83	179.81
Packing Materials	25.33	25.57
Finished Goods*	70.61	83.01
Work In Progress	17.69	-
Stock-in-Trade	-	12.36
<b>Total</b>	<b>275.46</b>	<b>300.74</b>
*Finished goods includes Stock in transit amounting to ₹12.72 lakhs as at 31 <sup>st</sup> March 2024 (Nil as at 31 <sup>st</sup> March 2023)		
<b>8 Investments (Current)</b>		
<b>Investments in Mutual Funds carried at fair value through Profit and Loss</b>		
NIL (PY- 49,542) Units of Reliance Liquid Fund - Treasury Plan - Daily Dividend	-	0.84
10,53,730.58 (PY-14,06,855.73 ) Units of Axis – Bluechip Fund (G)	576.50	583.14
3,34,828.427 (PY- 3,34,828.427) Units of Mirae Asset India Equity Fund Reg (G)	320.40	256.65
8,77,805.572 (PY-8,77,805.572) Units Kotak Gilt Investement (G)	773.81	716.88
NIL (PY- 12,538.668 ) ICICI Prudential Savings Fund (G)	-	57.36
49,838 (PY-49,819.151) ICICI Prudential Equity And Debt Fund (G)	166.89	117.62
13,25,450.30 (PY- 6,77,992.742) HDFC Short Term Debt Fund- Regular Growth	183.31	181.63
180,922.74 (PY- NIL) HDFC Ultra Short Term Fund - Reg (G)	52.20	-
<b>Total</b>	<b>2,073.11</b>	<b>1,914.13</b>
Aggregate amount of Quoted Investments and Market Value there of	2,073.11	1,914.13
<b>9 Trade Receivables</b>		
<b>(a) Trade receivables considered good - Secured</b>	-	-
<b>(b) Trade receivables considered good - UnSecured</b>		
(i) Considered Good	1,907.47	2,310.50
(ii) Credit Impaired	108.13	106.12
<b>Total</b>	<b>2,015.60</b>	<b>2,416.62</b>
<b>(c) Trade Receivables which have significant increase in Credit Risk</b>	-	-
Less : Impairment Loss Allowance (Refer Note 9 III)	(108.13)	(106.12)
<b>Total</b>	<b>1,907.47</b>	<b>2,310.51</b>



	As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
<b>I For Trade Receivable Ageing Schedule, refer Note No. 42</b>		
<b>II For Related party transactions, Refer Note No.37</b>		
<b>III Movement in Credit Impaired</b>		
<b>Provision at beginning of the year</b>	106.12	98.87
Less: Bad Debts written off	-	
Add: Provision during the year	2.01	45.99
Less: Reversal during the year	-	(38.74)
<b>Provision at end of the year</b>	<b>108.13</b>	<b>106.12</b>
<b>10 Cash and Cash equivalents</b>		
Balances with banks		
In Current accounts	222.22	88.03
Cash on hand	2.27	1.78
<b>Total</b>	<b>224.49</b>	<b>89.81</b>
<b>11 Bank balances other than cash and cash equivalents</b>		
Margin money (Including bank deposits with more than 3 months maturity)	791.82	751.61
In Unpaid Dividend Accounts	16.51	16.64
<b>Total</b>	<b>808.33</b>	<b>768.25</b>
<b>12 Loans</b>		
(Unsecured & considered good)		
Loan and advance to Employees	-	0.31
Loans and advances to Related parties	1,070.00	1,240.00
<b>Total</b>	<b>1,070.00</b>	<b>1,240.31</b>
<b>For related party transactions, Refer note No.37</b>		
<b>13 Other Current Financial Assets</b>		
(Unsecured & considered good)		
Advance given for purchase of mutual fund units	-	50.00
Security Deposits	59.75	41.65
Deposit - Excise	-	2.17
<b>Total</b>	<b>59.75</b>	<b>93.82</b>
<b>14 Other Current Assets</b>		
Prepaid expenses	46.46	46.42
Advances for supply of goods and services	31.56	29.48
Balance With Government authorities	8.36	34.87
Advances to Employees	7.81	-
Insurance Claim Receivable (Refer note. 48)	170.51	160.35
<b>Total</b>	<b>264.69</b>	<b>271.11</b>
<b>15 Equity Share Capital</b>		
Authorised		
2,00,00,000 (PY-2,00,00,000) Equity Shares of ₹5/- each	1,000.00	1,000.00
Issued, Subscribed and Paid up		
134,48,288 (PY-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  
 Additions during the year  
 Number of shares outstanding at the end of the year

As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
13,448,288.00	13,448,288.00
-	-
<u>13,448,288.00</u>	<u>13,448,288.00</u>

**b Details of Shareholders holding more than 5% Shares**

Name of the Shareholder	% Held	As at 31/03/2024 No of Shares	% Held	As at 31/03/2023 No of Shares
Nirmal Vinod Shah	13.35%	1,795,090	13.35%	1,794,890
Sameer Vinod Shah	12.54%	1,686,844	12.54%	1,686,744
Padma Vinod Shah	12.57%	1,691,100	12.57%	1,691,000
Visan Holding Pvt. Ltd.	9.75%	1,310,630	9.75%	1,310,630

**c Disclosure of shareholding of Promoters**

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Shares held by promoter at the end of the year				
Sr. No.	Promoter Name	No. of shares	% of total shares	% change during the year
1.	Nirmal Vinod Shah	1,795,090	13.35%	0.001%
2.	Sameer Vinod Shah	1,686,844	12.54%	0.001%
3.	Ashwin Ratilal Nagarwadia	500,000	3.72%	0.000%
4.	Shah Bhadresh	188,934	1.40%	0.000%
	<b>Total</b>	<b>4,170,868</b>	<b>31.01%</b>	

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Shares held by promoter at the end of the year				
Sr. No.	Promoter Name	No. of shares	% of total shares	% change during the year
1.	Nirmal Vinod Shah	1,794,890	13.35%	0.31%
2.	Sameer Vinod Shah	1,686,744	12.54%	0.30%
3.	Ashwin Ratilal Nagarwadia	500,000	3.72%	-
4.	Shah Bhadresh	188,934	1.40%	-
	<b>Total</b>	<b>4,170,568</b>	<b>31.01%</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****General Reserve**

As per last year

Add: Transfer from Profit &amp; Loss A/c.

**Securities Premium**

As per last year

Add: Received on Shares issued during the year

**Retained Earnings**

As per last year

Add: Profit for the Year

Less: Appropriations

Dividend Paid

**Other Comprehensive Income (OCI)**

Remeasurements of the net defined benefit Plans

As per last year

Movement During the Year

	As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
<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	22,296.64	22,573.12
Add: Profit for the Year	723.81	395.93
	<b>23,020.45</b>	<b>22,969.05</b>
Less: Appropriations		
Dividend Paid	403.45	672.41
	<b>22,617.00</b>	<b>22,296.64</b>
<b>Other Comprehensive Income (OCI)</b>		
Remeasurements of the net defined benefit Plans		
As per last year	(31.64)	12.68
Movement During the Year	(9.36)	(44.32)
	<b>(41.00)</b>	<b>(31.64)</b>
<b>Total</b>	<b>23,819.05</b>	<b>23,508.05</b>

**Nature and purpose :****General Reserve:**

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

**Securities Premium :**

Securities Premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

**Retained Earnings:**

Retained Earnings are the profits of the Company earned till date net of appropriations.

**17 Provisions**

(a) Provision for employee benefits :

Provision for Gratuity

	80.15	63.05
<b>Total</b>	<b>80.15</b>	<b>63.05</b>

**18 Deferred Tax Liability (Net)**

Deferred tax Liability

Written Down Value of Property Plant &amp; Equipment

Investments at Fair Value

	-	380.22
	-	103.31
	-	<b>483.54</b>

	As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
<b>Deferred tax Asset</b>		
Gratuity	-	(9.67)
MAT Credit	-	(428.96)
Accrued expenses allowed in the year of payment	-	(0.58)
Provision for expected credit loss	-	(30.90)
	-	<b>(470.12)</b>
<b>Net Deferred Tax Liability</b>	<b>Total</b>	<b>13.42</b>
<b>19 Trade Payables</b>		
Total Outstanding Dues of Micro and Small Enterprises	20.34	49.18
Total Outstanding Dues of Creditors other than Micro and Small Enterprises	661.38	742.70
	<b>Total</b>	<b>791.88</b>
a For Trade Payables Ageing Schedule refer Note No.43		
b For Related party transaction Refer Note No.37		
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	20.34	49.18
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	0.01	0.02
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	24.59
Interest paid/adjusted to suppliers under MSMED Act, 2006 (other than section 16)	-	0.01
Interest paid/adjusted to suppliers under MSMED Act, 2006 (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, 2006 for payments already made	0.01	0.02
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	0.01	0.02
The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of declaration received from parties & information available with company. This has been relied upon by the Auditors.		
<b>20 Other Current Financial Liabilities</b>		
Unclaimed Dividend *	16.51	16.64
	<b>Total</b>	<b>16.64</b>
* Not due for Deposit to Investor Education and Protection Fund		
<b>21 Other Current Liabilities</b>		
Other		
Statutory Dues	18.23	80.18
Employee Benefits Payable	219.91	121.24
Creditors for Capital Expenditure	-	14.54
Others (Including advance received from customers & Insurance claim)	258.87	54.46
	<b>Total</b>	<b>270.42</b>
<b>22 Provisions</b>		
Provision for Gratuity	16.22	15.04
	<b>Total</b>	<b>15.04</b>

		<b>2023-24</b> ₹ in lakhs	<b>2022-23</b> ₹ in lakhs
<b>23 Revenue from Operations</b>			
<b>Sale of Goods</b>	<b>a</b>	<b>5,022.58</b>	<b>4,798.14</b>
<b>Sale of Services</b>	<b>b</b>	<b>1.58</b>	<b>3.27</b>
Other Operating revenue			
Management Services Charges from Related Party (For Related party transaction Refer Note No.37)		200.00	246.27
Miscellaneous Income		35.41	38.77
	<b>c</b>	<b>235.41</b>	<b>285.05</b>
	<b>Total (a+b+c)</b>	<b>5,259.57</b>	<b>5,086.45</b>
<b>24 Other Income</b>			
Dividend from Subsidiary Company		200.00	90.00
Dividend from Equity Investments		2.25	1.89
Dividend from Mutual Funds		0.05	-
		<b>202.30</b>	<b>91.89</b>
Net gain on Sale of investments through profit & loss		68.53	151.82
Interest from Bank deposits at Effective Interest Rate		53.46	23.65
Interest from Loans at Effective Interest Rate		100.99	155.67
Rent (Gross)		93.35	81.53
Profit on Sale of Property Plant & Equipment		0.01	0.08
Bad Debts Recovered		13.12	9.54
Cedit Balances Written back		38.14	-
Net gain on Fair valuation of Investments		571.15	5.44
Corporate Gurantee Fee		23.06	21.73
	<b>Total</b>	<b>1,164.11</b>	<b>541.35</b>
<b>25 Cost of materials consumed</b>			
Raw Materials Consumed		1,778.47	1,577.43
Packing Material Consumed		240.86	211.75
	<b>Total</b>	<b>2,019.33</b>	<b>1,789.18</b>
<b>26 Purchases of stock-in-trade</b>			
Purchases of Stock-in-trade		529.95	829.70
	<b>Total</b>	<b>529.95</b>	<b>829.70</b>
<b>27 Changes in inventory of Finished goods, Work in progress and Stock in trade</b>			
(a) Finished goods/ Stock in Trade/ Work In Progress (At Close)			
Finished goods		70.61	59.91
Work In Progress		17.69	23.16
Stock in Trade		-	12.36
	<b>Total</b>	<b>88.30</b>	<b>95.43</b>
(b) Finished goods/ Stock in Trade/ Work In Progress (At commencement)			
Finished goods		59.91	79.74
Work In Progress		23.16	5.44
Stock in Trade		12.36	24.03
	<b>Total</b>	<b>95.43</b>	<b>109.21</b>
	<b>Total</b>	<b>7.13</b>	<b>13.78</b>
<b>28 Employee benefit expenses</b>			
Director Remuneration		202.10	118.61
Salaries & Wages		671.81	590.38
Contribution to Provident & other funds		79.39	66.03
Staff Welfare Expenses		74.66	50.18
	<b>Total</b>	<b>1,027.96</b>	<b>825.21</b>

**29 Finance Cost**

(a) Interest Expense at effective interest rate

- Banks

- MSMED

- Others

(b) Other borrowing costs

- Bank Guarantee fees & charges

**Total**

**30 Depreciation and Amortisation expenses**

Depreciation and Amortisation Expenses

**Total**

**31 Other Expenses**

**Manufacturing Expenses**

Consumable stores

Power, Fuel & Water Charges

Research and Development (see note 'a' below)

Laboratory Expenses

Repairs and Renewals to Plant & Machinery

Labour Charges

Security Expenses

Factory Maintenance

**A**

**Administrative Expenses**

Directors' Sitting Fees

Rates & Taxes

Electricity charges

Printing and stationary

Telephone & Postage Expenses

Insurance

Motor car expenses

Auditors Remuneration (see note 'b' below)

Legal, Professional & consultancy fees

Repairs & Maintenance Buildings

Repairs & Maintenance Others

Miscellaneous expenses

Donation

CSR Expenditure

Sales Tax & Other Taxes

Loss by fire

Input GST Reversed

Net loss on Foreign Exchange Fluctuation

Provision for Expected credit loss on trade receivables

Bad Debts Written Off

**B**

**Selling and Distribution Expenses**

Carriage outwards

Rent

Commission on sales

Travelling Expenses

	2023-24 ₹ in lakhs	2022-23 ₹ in lakhs
	1.99	1.81
	0.01	0.02
	1.65	0.21
	3.65	4.44
	<b>7.30</b>	<b>6.48</b>
	245.97	243.87
	<b>245.97</b>	<b>243.87</b>
	21.51	24.00
	37.21	65.89
	65.47	71.83
	1.60	1.88
	19.89	15.44
	358.39	284.54
	74.89	62.13
	53.02	29.36
	<b>631.99</b>	<b>555.07</b>
	17.60	13.60
	23.01	18.25
	70.26	42.44
	7.64	7.47
	16.22	7.73
	52.71	27.76
	38.22	18.75
	19.36	17.63
	167.94	198.20
	-	0.27
	180.14	160.28
	57.96	30.62
	0.12	0.34
	13.98	10.17
	-	1.36
	-	8.92
	33.29	3.74
	8.67	18.35
	2.01	45.99
	61.80	-
	<b>770.93</b>	<b>631.88</b>
	150.09	136.34
	11.80	13.40
	30.76	33.80
	56.32	45.97

	2023-24 ₹ in lakhs	2022-23 ₹ in lakhs
Conveyance expenses	25.13	23.02
Royalty Expenses	14.32	12.83
Advertising & Publicity Expenses	1.25	1.64
Packing Expenses	7.65	7.07
Sales Promotion Expenses	2.56	3.17
<b>c</b>	<b>299.88</b>	<b>277.24</b>
<b>Total (a+b+c)</b>	<b>1,702.80</b>	<b>1,464.19</b>
<b>a Research and Development Expenses:</b>		
Resarch and Develpoment Laboratory Mahape	65.47	71.83
<b>Total</b>	<b>65.47</b>	<b>71.83</b>
<b>b Auditor's Remuneration consists of:</b>		
Statutory Audit Fees	19.30	17.52
Taxation and Other Matters	0.06	0.11
<b>Total</b>	<b>19.36</b>	<b>17.63</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 ₹13.37lakhs. (Previous Year ₹10.17 Lakhs)		
• Amount spent during the year is ₹13.98 lakhs (Previous Year ₹10.17 Lakhs)"		
Details of corporate social responsibility expenditure		
a) Amount required to be spent by the company during the year	13.37	10.17
b) Amount of expenditure incurred		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) and above	13.98	10.17
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 Child Education	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund
g) Details of related party transactions	Refer Note 37	
h) Where a provision is made with respect to a liability incurred by entering into a contractual the year shall be shown separately.	-	-
<b>d Lease</b>		
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:		

Company As a Lessee

Due within one year	5.50	23.45
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	11.80	13.40

Company As a Lessor

Due within one year	33.47	36.69
Due later than one year and not later than five years	-	-
Due later than five years	-	-
Lease receipts recognised in the Statement of Profit & Loss	93.35	81.53

	Total Minimum Lease Payment Outstanding as on 31/03/2024	Total Minimum Lease Payment Outstanding as on 31/03/2023
	2023-24 ₹ in lakhs	2022-23 ₹ in lakhs
Net Profit available to Equity Shareholders ₹In Lakhs	723.81	395.93
Total number of Equity Shares (Face value of ₹ 5/- each fully paid up)	13,448,288	13,448,288
Weighted No. of Equity Shares	13,448,288	13,448,288
Basic Earnings per Share (in Rupees)	5.38	2.94
Diluted No. of Equity Shares	13,448,288	13,448,288
Diluted Earnings per Share (in Rupees)	5.38	2.94
<b>33 EARNINGS IN FOREIGN EXCHANGE</b>		
FY 2023-2024		
Export of Goods on FOB Basis	-	-
Commission	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**32 EARNINGS PER SHARE**

Net Profit available to Equity Shareholders ₹In Lakhs	723.81	395.93
Total number of Equity Shares (Face value of ₹ 5/- each fully paid up)	13,448,288	13,448,288
Weighted No. of Equity Shares	13,448,288	13,448,288
Basic Earnings per Share (in Rupees)	5.38	2.94
Diluted No. of Equity Shares	13,448,288	13,448,288
Diluted Earnings per Share (in Rupees)	5.38	2.94

**33 EARNINGS IN FOREIGN EXCHANGE**

FY 2023-2024		
Export of Goods on FOB Basis	-	-
Commission	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**34 Segment Reporting**

"The Company is engaged in the manufacture, Trading and providing services 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."

Operating segment are reported in a manner consistent with internal report provided to chief operating decision maker. The Board of Directors of the company has been identified as chief operating decision maker which reviews and assesses the financial performance and makes the strategic decision. Revenue from single External customer is Not in excess of 10% of the Total revenue for the year.

**35 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 2024							
	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>	-	-	1,032.82	1,032.82	-	-	-	-
Cash and cash equivalents (Including other bank balances)	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
- Mutual Funds	5,346.29	-	-	5,346.29	5,346.29	-	-	5,346.29
- Equity Shares (Quoted)	71.35	-	-	71.35	71.35	-	-	71.35
- Equity Shares (Unquoted)	3.79	-	-	3.79	-	-	3.79	3.79
- Preference shares and bonds	-	-	50.00	-	-	-	-	-
Trade and other receivables	-	-	1,907.47	1,907.47	-	-	-	-
Loans	-	-	1,070.00	1,070.00	-	-	-	-
Other financial assets	-	-	101.98	101.98	-	-	-	-
<b>TOTAL</b>	<b>5,421.44</b>	<b>-</b>	<b>4,112.28</b>	<b>9,533.72</b>	<b>5,417.64</b>	<b>-</b>	<b>3.79</b>	<b>5,421.44</b>
<b>Financial liabilities</b>	-	-	-	-	-	-	-	-
Long term borrowings (Including current maturity of Long term borrowings)	-	-	-	-	-	-	-	-
Short term borrowings	-	-	681.73	681.73	-	-	-	-
Trade and other payables	-	-	16.51	16.51	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>698.24</b>	<b>698.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2023							
	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)	-	-	858.05	858.05	-	-	-	-
Investments	-	-	-	4,926.08	-	-	-	-
- Mutual Funds	4,926.08	-	-	35.52	4,926.08	-	-	4,926.08
- Equity Shares (Quoted)	35.52	-	-	3.88	35.52	-	-	35.52
- Equity Shares (Unquoted)	3.88	-	-	-	-	-	3.88	3.88
Trade and other receivables	-	-	2,310.51	2,310.51	-	-	-	-
Loans	-	-	1,240.31	1,240.31	-	-	-	-
Other financial assets	-	-	149.21	149.21	-	-	-	-
<b>TOTAL</b>	<b>4,965.48</b>	<b>-</b>	<b>4,558.08</b>	<b>9,523.56</b>	<b>4,961.60</b>	<b>-</b>	<b>3.88</b>	<b>4,965.48</b>
<b>Financial liabilities</b>	-	-	-	-	-	-	-	-
Long term borrowings (Including current maturity of Long term borrowings)	-	-	791.88	791.88	-	-	-	-
Short term borrowings	-	-	16.64	16.64	-	-	-	-
Trade and other payables	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>808.52</b>	<b>808.52</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 Risk Management 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 31st March, 2024	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Trade payables	19	681.73	681.73	-
2	Other Financials Liability	20	16.51	16.51	-
3	Other Current Liabilities	21	497.01	497.01	-
	<b>TOTAL</b>		<b>1,195.25</b>	<b>1,195.25</b>	<b>-</b>

Sr No	As at 31st March, 2023	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Trade payables	19	791.88	791.88	-
2	Other Financials Liability	20	16.64	16.64	-
3	Other Current Liabilities	21	270.42	270.42	-
	<b>TOTAL</b>		<b>1,078.94</b>	<b>1,078.94</b>	<b>-</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:

- 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 31/03/2024		As at 31/03/2023	
		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)

Currency	Exposure to buy/sell	As at 31/03/2024		As at 31/03/2023	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
US Dollars	Liability	0.96	80.55	0.19	15.50
Euro	Liability	-	-	0.00	0.36
US Dollars	Asset	-	-	0.19	15.53

**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 instruments depending on the liquidity needs of the Company. The Company's exposures to interest rate risk is not significant.

**36 Employee Benefit obligations**

**(A) Defined contribution plan**

Contributions are made to Employee Provident Fund (EPF), Employees State Insurance Scheme (ESIC) and other Funds which covered contribution plans, is as detailed below.

(₹ in Lakhs)

Funded Plan	Year ended 31-Mar-24	Year ended 31-Mar-23
Contribution to Provident Fund	50.39	40.82
Contribution to Superannuation Fund	8.43	5.70
Contribution to ESIC	0.66	0.82
Contribution to Labour Welfare Fund	0.07	0.06
	<b>59.99</b>	<b>47.40</b>

**(B) 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 Actuarial Valuation are as follows:

(₹ in Lakhs)

		As at 31 March 2024	As at 31 March 2023
		Funded Plan	
(i)	Change in Defined Benefit Obligation		
	Opening defined benefit obligation	216.58	155.24
	Amount recognised in profit and loss		
	Transfer in/(out) obligation	-	15.24
	Current service cost	13.98	15.63
	Interest cost	16.17	10.49
	Amount recognised in other comprehensive income		
	Actuarial loss / (gain) arising from:		
	Return on Plan Assets		
	Financial assumptions	11.11	46.88
	Other	(19.37)	(26.90)
	Benefits paid		
	Closing defined benefit obligation	<b>238.47</b>	<b>216.58</b>
(ii)	Change in Fair Value of Assets	138.49	127.15
	Opening fair value of plan assets		
	Amount recognised in profit and loss	-	15.24
	Interest income	10.31	8.58
	Amount recognised in other comprehensive income		
	Actuarial gain / (loss)		
	Return on Plan Assets, Excluding Interest Income	(0.23)	(7.34)
	Other	12.90	21.76
	Contributions by employer		
	Equitable fund transfer out	-	-
	Benefits paid	(19.37)	(26.90)
	Closing fair value of plan assets	<b>142.10</b>	<b>138.49</b>
	Actual return on Plan Assets	10.08	1.24
(iii)	Plan assets comprise the following	Unquoted	Unquoted
	Insurance fund (100%)	142.10	138.49
(iv)	Principal actuarial assumptions used	%	%
	Discount rate	7.25	7.50
	Withdrawal Rate	1.00	1.00
	Future Salary Increase	5.00	5.00

(₹ in Lakhs)

(v)	Amount recognised in the Balance Sheet	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
	Present value of obligations as at year end	238.47	216.58
	Fair value of plan assets as at year end	142.10	138.49
	Net (asset) / liability recognised as at year end	96.37	78.09
	Recognised under :		
	Short term provisions	16.22	15.04
	Long term provisions	80.15	63.05
		96.37	78.09

**(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 31st March, 2024		As at 31st March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(5.80)	6.70	(5.90)	6.80
Future salary growth (1% movement) - Gratuity	6.80	(6.00)	6.80	(6.00)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming

**(vii) Expected future cash flows**

(₹ in Lakhs)

The expected maturity analysis is as follows :	For year ended	For year ended
	31.3.2024	31.3.2023
Expected benefits for year 1	74.17	74.69
Expected benefits for year 2	3.07	3.90
Expected benefits for year 3	16.81	2.86
Expected benefits for year 4	8.67	16.06
Expected benefits for year 5	23.93	9.73
Expected benefits for year 6 and above	109.18	102.82

**37 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:**

Chembond Water Technologies Ltd., Chembond Material Technologies Pvt Ltd, Chembond Biosciences Limited, Chembond Calvatis Industrial Hygiene Systems Ltd., Phiroze Sethna Pvt Ltd, Chembond Distribution Ltd., Chembond Chemical Specialties Limited.

**ii. Step down Subsidiary and Associate:**

Gramos Chemicals India Private Limited, Chembond Clean Water Technologies Limited, Chembond Water Technologies (Malaysia) SDN. BHD. and Chembond Water Technologies (Thailand) Co. Limited, Rewasoft Solutions Private Limited.

**iii. Key Management Personnel and their relatives (KMP)****Key Management Personnel:**

Sameer V. Shah, Nirmal V. Shah, Ashwin R. Nagarwadia, Bhadrash D. Shah, Mahendra K. Ghelani, Sushil U. Lakhani, Dr. Prakash Trivedi, Sarawati Sankar.

Padma V. Shah, Dr. Shilpa S. Shah, Mamta N. Shah, Alpina S. Shah, Jyoti N. Mehta, Amrita S. B'Durga, Malika S. Shah, Kshitija N. Shah, Raunaq S. Shah, Rahil N. Shah.

**iv. Entities over which Key Management personnel are able to exercise influence :**

CCL Optoelectronics Pvt Ltd., Finor Piplaj Chemicals Ltd., S and N Ventures Private Ltd., Visan Holdings Pvt Ltd and Oriano Clean Energy Pvt Ltd., Visan Trust

For the year ended/as on	31.03.2024			31.03.2023		
	Description of the nature of transactions	Subsidiary	KMP & entities where KMP are interested	Total	Subsidiary	KMP & entities where KMP are interested
<b>Sales of Goods</b>	1,128.92	2.09	1,131.01	1,298.62	3.67	1,302.30
Chembond Water Technologies Ltd	344.45	-	344.45	230.24	-	230.24
Chembond Material Technologies Pvt Ltd	534.25	-	534.25	635.72	-	635.72
Chembond Clean Water Technologies Ltd	3.34	-	3.34	0.18	-	0.18
Chembond Calvatis Industrial Hygiene Systems Ltd	103.43	-	103.43	191.64	-	191.64
Chembond Distribution Ltd	22.99	-	22.99	90.90	-	90.90
Finor Piplaj Chemicals Ltd.	-	2.09	2.09	-	3.67	3.67
Chembond Biosciences Ltd	120.46	-	120.46	149.73	-	149.73
Gramos Chemicals India Private Limited	-	-	-	0.22	-	0.22
<b>Purchase of Goods</b>	460.71	340.88	801.59	724.67	238.49	963.16
Chembond Water Technologies Ltd	90.29	-	90.29	108.97	-	108.97
Chembond Material Technologies Pvt Ltd	169.96	-	169.96	212.42	-	212.42
Chembond Clean Water Technologies Ltd	1.77	-	1.77	0.19	-	0.19
Chembond Biosciences Ltd	6.05	-	6.05	157.30	-	157.30
Chembond Distribution Ltd	192.65	-	192.65	245.69	-	245.69
Finor Piplaj Chemicals Ltd.	-	340.88	340.88	-	238.49	238.49
Phiroze Sethna Pvt Ltd	-	-	-	0.03	-	0.03
Gramos Chemicals India Private Ltd	-	-	-	0.07	-	0.07
<b>Purchase of Fixed Assets</b>	-	-	-	2.31	-	2.31
Phiroze Sethna Pvt Ltd	-	-	-	2.31	-	2.31
<b>Sale of Fixed Assets</b>	1.70	0.72	2.42	6.86	4.75	11.61
Finor Piplaj Chemicals Ltd.	-	0.72	0.72	-	4.75	4.75
Gramos Chemicals India Private Ltd	1.70	-	1.70	6.86	-	6.86
<b>Rent Income</b>	84.06	18.00	102.07	69.52	12.01	81.53
Chembond Water Technologies Ltd	63.54	-	63.54	63.54	-	63.54
Chembond Clean Water Technologies Ltd	4.50	-	4.50	4.50	-	4.50
Chembond Material Technologies Pvt Ltd	15.30	-	15.30	1.02	-	1.02
Chembond Distribution Ltd	0.24	-	0.24	0.24	-	0.24
Gramos Chemicals India Private Ltd	0.24	-	0.24	0.11	-	-
Phiroze Sethna Pvt Ltd	0.24	-	0.24	0.11	-	-
Finor Piplaj Chemicals Ltd.	-	3.00	3.00	-	3.00	3.00
Oriano Clean Energy Pvt Ltd	-	15.00	15.00	-	9.01	9.01
<b>SubContract Receipt (Revenue)</b>	1,354.12	-	1,354.12	1,310.34	-	1,310.34
Chembond Water Technologies Ltd	783.85	-	783.85	847.66	-	847.66
Chembond Material Technologies Pvt Ltd	486.21	-	486.21	402.00	-	402.00
Chembond Biosciences Ltd	84.06	-	84.06	60.68	-	60.68
<b>Service Charges(BSS) Income</b>	200.00	-	200.00	246.27	-	246.27
Chembond Water Technologies Ltd	200.00	-	200.00	246.27	-	246.27
<b>Corporate Gurantee Fees Income</b>	23.06	-	23.06	21.73	-	21.73
Chembond Water Technologies Ltd	21.56	-	21.56	20.23	-	20.23
Chembond Clean Water Technologies Ltd	1.50	-	1.50	1.50	-	1.50
<b>Dividend Income</b>	200.00	-	200.00	90.00	-	90.00
Chembond Water Technologies Ltd	200.00	-	200.00	90.00	-	90.00
<b>Interest Income</b>	100.99	-	100.99	155.67	-	155.67
Chembond Material Technologies Pvt Ltd	97.21	-	97.21	115.62	-	115.62
Chembond Biosciences Ltd	0.02	-	0.02	31.94	-	31.94
Phiroze Sethna Pvt Ltd	3.75	-	3.75	8.10	-	8.10
<b>Rental Expenses</b>	-	6.00	6.00	-	-	11.45
Finor Piplaj Chemicals Ltd	-	6.00	6.00	-	11.45	11.45
<b>Director Remuneration*</b>	-	207.04	207.04	-	11.45	134.07
Sameer V .Shah	-	126.02	126.02	-	134.07	86.82
Nirmal V. Shah	-	81.02	81.02	-	86.82	47.25
<b>Director Sitting Fees</b>	-	16.60	16.60	-	47.25	12.98
Ashwin Nagarwadia	-	4.50	4.50	-	12.98	3.50
Mahendra Ghelani	-	3.80	3.80	-	3.50	3.38
Sushil Lakhani	-	3.50	3.50	-	3.38	3.00
Sarswati Sankar	-	1.90	1.90	-	3.00	1.35
Dr.Prakash Trivedi	-	2.90	2.90	-	1.35	1.75
<b>Professional &amp; Consulting Fees</b>	-	-	35.74	-	1.75	27.78
Bhadresh D. Shah	-	-	35.74	-	27.78	27.78
<b>CSR Expenditure</b>	-	13.98	-	-	27.78	-
Visan Trust	-	13.98	-	-	27.78	-
<b>Royalty</b>	-	14.32	14.32	-	-	12.83
S and N Ventures Pvt. Ltd.	-	14.32	14.32	-	12.83	12.83
<b>Balance at the end of the year</b>	-	-	-	-	12.83	-
<b>A. Loans Given</b>	1,175.00	-	1,175.00	1,240.00	-	1,240.00
Chembond Material Technologies Pvt Ltd	1,070.00	-	1,070.00	1,150.00	-	1,150.00
Chembond Biosciences Ltd	25.00	-	25.00	-	-	-
Phiroze Sethna Pvt Ltd	80.00	-	80.00	90.00	-	90.00
<b>B. Loans Repaid By</b>	275.00	-	275.00	65.00	-	65.00
Chembond Material Technologies Pvt Ltd	80.00	-	80.00	65.00	-	65.00
Chembond Biosciences Ltd	25.00	-	25.00	-	-	-
Phiroze Sethna Pvt Ltd	170.00	-	170.00	-	-	-
<b>B. Sundry Debtors</b>	1,143.09	13.28	1,156.37	1,549.22	-	1,550.53
Chembond Water Technologies Ltd	262.96	-	262.96	170.73	1.31	170.73
Chembond Clean Water Technologies Ltd	2.78	-	2.78	3.96	-	3.96
Chembond Distribution Ltd	17.90	-	17.90	0.24	-	0.24
Chembond Calvatis Industrial Hygiene Systems Ltd	20.47	-	20.47	10.97	-	10.97
Chembond Material Technologies Pvt Ltd	361.04	-	361.04	880.93	-	880.93
Chembond Chemical Specialties Limited	0.30	-	0.30	-	-	-
Chembond Biosciences Ltd	473.34	-	473.34	411.27	-	411.27
Phiroze Sethna Pvt Ltd	3.80	-	3.80	70.76	-	70.76
Gramos Chemicals India Private Ltd	0.50	-	0.50	0.37	-	0.37
Finor Piplaj Chemicals Ltd.	-	11.01	11.01	-	-	-
Oriano Clean Energy Pvt Ltd	-	2.27	2.27	-	-	1.31
<b>C. Sundry Creditors</b>	52.38	62.12	114.50	90.46	1.31	114.03
Chembond Water Technologies Ltd	10.33	-	10.33	10.77	48.94	10.77
Chembond Material Technologies Pvt Ltd	-	-	-	24.81	-	-
Chembond Biosciences Ltd	-	-	-	0.57	-	-
Chembond Clean Water Technologies Ltd	2.09	-	2.09	-	-	-
Finor Piplaj Chemicals Ltd.	-	62.12	62.12	-	-	48.94
Chembond Distribution Ltd	39.97	-	39.97	54.31	48.94	54.31
<b>D. Investments</b>	11,369.14	-	11,369.14	11,368.64	-	11,368.64
Chembond Water Technologies Ltd	4,887.86	-	4,887.86	4,887.86	-	4,887.86
Chembond Material Technologies Pvt Ltd	2,039.08	-	2,039.08	2,039.08	-	2,039.08
Chembond Biosciences Ltd	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 Chemical Specialties Limited	0.50	-	0.50	-	-	-
Phiroze Sethna Pvt Ltd	4,126.90	-	4,126.90	4,126.90	-	4,126.90

\*The gratuity amount for directors is not ascertainable.

**38 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 31st March, 2024, 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.

(Refer Note. 41 for Debt/Equity ratio)

**39 Tax Reconciliation**

	As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
(a) The income tax expense consists of the followings:		
Particulars		
Current Income Tax	155.30	130.08
Short/(Excess) Provision of tax of earlier years	36.22	3.81
Deferred Tax Expense	(32.09)	(74.45)
<b>Tax expense for the year</b>	<b>159.42</b>	<b>59.44</b>
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax Rate		
Profit before income tax expense	883.23	455.37
Indian statutory income tax rate (MAT)	17.47%	27.82%
Expected Income Tax expenses	154.32	126.69
Part A		
Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
Income exempt from income taxes	-	-
Additional allowances/deduction	33.69	(57.82)
Transition gain	-	-
Short/(Excess) Provision of tax of earlier years	36.22	3.81
Others	121.61	61.21
<b>Current Tax (A)</b>	<b>191.52</b>	<b>133.89</b>
Part B		
Deferred Tax Effect at the rate of:	0.29	0.29
Depreciation	(13.95)	(62.39)
Investments at Fair Value	78.91	0.59
Gratuity	18.39	1.34
MAT Credit	70.90	8.84
Accrued expenses allowed in the year of payment	7.18	0.35
Provision for expected credit loss	0.58	2.11
<b>Deferred Tax (B)</b>	<b>(32.09)</b>	<b>(74.45)</b>
<b>Tax Expense (A+B)</b>	<b>159.42</b>	<b>59.44</b>

**40 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	14.61	15.46
ii) TDS Default	1.85	1.06
iii) Service tax due as per final audit report and show cause notice**	259.42	265.71
iv) Income tax demands pending for rectification	32.39	98.35
v) Davendra Feeds India Private Limited has lodged. F.I.R dated 24th June, 2022 with police station Safidon District Jind Haryana against Chembond Chemicals Limited, Mr Sameer Shah (Chairman & Managing Director) and 3 other	-	-

current & ex-employees, with respect to damage caused by inferior quality of Products. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is being currently considered by the Competent Authorities and Courts.

b) Counter Guarantees given by Company for Bank Guarantees issued - i) Corporate Guarantee given to Banks by the Company on behalf of Subsidiaries Chembond Water Technologies Ltd. & Step Subsidiary Chembond Clean Water Technologies Ltd.	2,550.00	2,550.00
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**B) Capital Commitments**

Estimated amounts of contracts remaining to be executed on

**NOTE : 41**

**Financial Ratios**

**(a) Current Ratio**

Current Assets(A)

Current Liabilities(B)

**Current Ratio( A/B)**

**(b) Debt-Equity Ratio**

Total Borrowings(A)

Total Shareholders' Equity(B) - Total Equity

**Debt-Equity Ratio( A/B)**

**(c) Debt Service Coverage Ratio#**

Earning for Debt service = Net Profit after taxes + Non-cash operating expenses + interest + Other adjustments  
Interest on Loan + Loan repayment in a year(B)

**Debt Service Coverage Ratio( A/B)**

**(d) Return on Equity Ratio (in %)#**

Net Profit(A)

Average Shareholders Equity(B)

**Return on Equity Ratio( A/B)**

**(e) Inventory turnover ratio**

"Raw materials, components, finished goods and work in progress consumed (A)"

Average Inventory(B)

**Inventory turnover Ratio( A/B)**

**(f) Trade receivables turnover ratio**

Net sales(A)

Average Accounts receivable(B)

**Trade receivable turnover Ratio( A/B)**

**(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)

Average working capital (ie. Total current assets less

Total current liabilities

**Net Capital turnover Ratio( A/B)**

**(i) Net Profit ratio (in %)#**

Net Profit(A)

Net Sales(B)

**Net Profit Ratio( A/B)**

**(j) Return on Capital employed (in %)#**

EBIT(A) - PBT + Finance Costs (A)

Shareholders Equity + Long term liabilities(B) -

Total Equity + Deferred tax liabilities

**Return on Capital employed( A/B)**

**(k) Return on Investment (in %)#**

Income generated from Invested funds (Dividend Income +

Realised and unrealised gain from fair value of investments)

Average cost of Investments(B)

**Return on Investment( A/B)**

	FY 2023-2024	FY 2022-2023	Variance
<b>(a) Current Ratio</b>			
Current Assets(A)	6,683.31	6,988.68	
Current Liabilities(B)	1,211.47	1,093.98	
<b>Current Ratio( A/B)</b>	<b>5.52</b>	<b>6.39</b>	<b>-13.64%</b>
<b>(b) Debt-Equity Ratio</b>			
Total Borrowings(A)	-	-	
Total Shareholders' Equity(B) - Total Equity	24,491.46	24,180.46	
<b>Debt-Equity Ratio( A/B)</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>(c) Debt Service Coverage Ratio#</b>			
Earning for Debt service = Net Profit after taxes + Non-cash operating expenses + interest + Other adjustments	971.77	641.62	
Interest on Loan + Loan repayment in a year(B)	1.99	1.81	
<b>Debt Service Coverage Ratio( A/B)</b>	<b>488.40</b>	<b>353.98</b>	<b>37.97%</b>
<b>(d) Return on Equity Ratio (in %)#</b>			
Net Profit(A)	723.81	395.93	
Average Shareholders Equity(B)	24,335.96	24,340.86	
<b>Return on Equity Ratio( A/B)</b>	<b>2.97%</b>	<b>1.63%</b>	<b>82.85%</b>
<b>(e) Inventory turnover ratio</b>			
"Raw materials, components, finished goods and work in progress consumed (A)"	2,556.42	2,632.67	
Average Inventory(B)	288.10	292.37	
<b>Inventory turnover Ratio( A/B)</b>	<b>8.87</b>	<b>9.00</b>	<b>-1.46%</b>
<b>(f) Trade receivables turnover ratio</b>			
Net sales(A)	5,259.57	5,086.45	
Average Accounts receivable(B)	2,108.99	2,224.83	
<b>Trade receivable turnover Ratio( A/B)</b>	<b>2.49</b>	<b>2.29</b>	<b>9.08%</b>
<b>(g) Trade Payables turnover ratio</b>			
Net Purchases(A)	2,531.07	2,649.48	
Average trade payable(B)	736.80	700.04	
<b>Trade Payables turnover Ratio( A/B)</b>	<b>3.44</b>	<b>3.78</b>	<b>-9.24%</b>
<b>(h) Net Capital turnover ratio</b>			
Net sales(A)	5,259.57	5,086.45	
Average working capital (ie. Total current assets less Total current liabilities)	5,683.27	6,812.70	
<b>Net Capital turnover Ratio( A/B)</b>	<b>0.93</b>	<b>0.75</b>	<b>23.95%</b>
<b>(i) Net Profit ratio (in %)#</b>			
Net Profit(A)	723.81	395.93	
Net Sales(B)	5,259.57	5,086.45	
<b>Net Profit Ratio( A/B)</b>	<b>13.76%</b>	<b>7.78%</b>	<b>76.79%</b>
<b>(j) Return on Capital employed (in %)#</b>			
EBIT(A) - PBT + Finance Costs (A)	890.54	461.86	
Shareholders Equity + Long term liabilities(B) - Total Equity + Deferred tax liabilities	24,571.61	24,256.93	
<b>Return on Capital employed( A/B)</b>	<b>3.62%</b>	<b>1.90%</b>	<b>90.35%</b>
<b>(k) Return on Investment (in %)#</b>			
Income generated from Invested funds (Dividend Income + Realised and unrealised gain from fair value of investments)	841.97	249.14	
Average cost of Investments(B)	12,150.13	8,404.09	
<b>Return on Investment( A/B)</b>	<b>6.93%</b>	<b>2.96%</b>	<b>133.75%</b>

C#- Interest coverage ratio improved on account of lower utilisation of working capital limits.

D, I, J # - EBITDA, PBT, Net Profit and Return on equity have improved at the backdrop of improvement in operating margin and other non operating income.

K# - ROI has improved on account of net gain from fair valuation of investments and healthy dividend income.

**42. Ageing Schedule for Trade receivables**Ageing for trade receivables outstanding as on 31<sup>st</sup> March, 2024 is as follows :

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	649.21	1,168.61	40.52	6.92	18.78	23.44	1,907.48
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	108.13	108.13
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	-	-	-	-	-	(108.13)	(108.13)
<b>Trade receivables</b>	<b>649.21</b>	<b>1,168.61</b>	<b>40.52</b>	<b>6.92</b>	<b>18.78</b>	<b>23.44</b>	<b>1,907.48</b>

Ageing for trade receivables outstanding as on 31<sup>st</sup> Mar'23 is as follows :

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	771.12	696.96	510.72	228.80	-	102.91	2,310.51
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	106.12	106.12
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	-	-	-	-	-	-106.12	106.12
<b>Trade receivables</b>	<b>771.12</b>	<b>696.96</b>	<b>510.72</b>	<b>228.80</b>	<b>-</b>	<b>102.91</b>	<b>2,310.51</b>

**43. Ageing Schedule for Trade Payables**

Ageing for trade Payables outstanding as on 31st Mar'24 is as follows :

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
I) MSME	20.34	-	-	-	-	20.34
II) Others	420.57	221.89	-	15.88	3.05	661.38
III) Disputed dues - MSME	-	-	-	-	-	-
IV) Disputed dues - Others	-	-	-	-	-	-
<b>Net trade payables</b>	<b>440.91</b>	<b>221.89</b>	<b>-</b>	<b>15.88</b>	<b>3.05</b>	<b>681.73</b>



Ageing for trade payables outstanding as on 31<sup>st</sup> March, 2023 is as follows :

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
I) MSME	49.20	-	-	-	-	49.20
II) Others	564.25	157.76	-	-	20.66	742.68
III) Disputed dues - MSME	-	-	-	-	-	-
IV) Disputed dues - Others	-	-	-	-	-	-
<b>Net trade payables</b>	<b>613.45</b>	<b>157.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>791.88</b>

## 44. Ageing Schedule for Capital Work in Progress

Ageing for CWIP as on 31<sup>st</sup> Mar'24 is as follows :

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
I) Projects in progress	6.29	450.76	729.79	-	1,186.85
ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>6.29</b>	<b>450.76</b>	<b>729.79</b>	<b>-</b>	<b>1,186.85</b>

Ageing for CWIP as on 31<sup>st</sup> Mar'23 is as follows :

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
I) Projects in progress	395.05	307.99	-	-	703.04
ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>395.05</b>	<b>307.99</b>	<b>-</b>	<b>-</b>	<b>703.04</b>

## NOTE : 45

## 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:

(₹ in lakhs)

Name of Struck off Company	Nature of transactions with struck-off Company	Balance Outstanding as on 31 <sup>st</sup> Mar'24	Balance Outstanding as on 31 <sup>st</sup> Mar'23	Relationship with the Struck off company, if any, to be disclosed
LANXESS INDIA PRIVATE LIMITED	Receivables	-	0.36	Nil
SHREE ENGINEERS INFRASTRUCTURE PRIVATE LIMITED	Receivables	-	(0.02)	Nil

- C 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  
The company does not have any charge which is yet to be registered/satisfied with ROC beyond the statutory period.
- D 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,
- E 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).
- F The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.
- G 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.
- H 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 : 46****Working Capital Facilities:-****Details of credit facilities from banks:**

The Company has sanctioned credit facilities from HDFC Bank of ₹472.50 lakhs (i.e cash credit facility - ₹220.00 lakhs, letter of credit - ₹209.60 lakhs and Bank Guarantee - ₹42.89 lakhs) The Company has not utilised cash credit facilities at the year end.

**Terms of loan**

- The credit facility carries interest at mutually agreed rates,(interest payable on monthly rests).
- The credit facility is secured by : Hypothecation of stocks and bookdebts, Factory land & building.

**Utilisation of borrowings :**

- The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- The quarterly returns/statements of current assets filed by the Company with banks or financial institutions in relation to secured borrowings wherever applicable, are in agreement with the books of accounts.

**47 Audit Trail**

"The Ministry of Corporate Affairs (MCA) has issued a notification – Companies (Accounts) Amendment Rules, 2021 which is effective from 1st April, 2023. The amendment requires that every company which uses an accounting software for maintaining its books of account shall use an accounting software where there is feature of recording audit trail of each and every transaction and further creating an edit log of each change made to the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses an accounting software for maintaining books of account which has a feature of recording audit trail and edit log facility and that has been operative throughout the financial year for the transactions recorded in the software impacting books of account at the application level. The software being managed on public cloud, users do not have access to enable, disable, deactivate or tamper with the audit trail setting.

The Company also uses software for payroll application and employee reimbursement. In both the software there is a feature of audit log for recording audit trail and the same cannot be disabled or modified.

The audit trail feature is not enabled at the database level in respect of these software.

**48 Events occurring After Balance sheet date**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and / or reporting of any of these events and transactions in the financial statements. As on 25<sup>th</sup> May, 2024, there are no subsequent events to be recognised or reported.

**49 Fire Incident**

The Company's claim of Rs. 119.50 lakhs for the Inventory damaged in the fire incident which occurred in April 2022 at Tarapur Plant has been settled by the Insurance Company at Rs. 110.57 Lakhs during FY 2022-23. During the current Financial year the claim against property, plant & equipment is partially settled and is still under review.

**50** 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.

**51** 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

**Jatin A. Thakkar**

Partner  
Membership No. : 134767  
Mumbai, 25<sup>th</sup> May 2024

**Sameer V. Shah**

Chairman  
& Managing Director  
DIN: 00105721

**Rashmi S. Gavli**

Chief Financial Officer  
Mumbai, 25<sup>th</sup> May 2024

**Nirmal V. Shah**

Vice Chairman  
& Managing Director  
DIN: 00083853

**Suchita Singh**

Company Secretary

**Mahendra K. Ghelani**

Director  
DIN: 01108297

**Note**

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## 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 and associate company listed in Annexure - A (the Company, its subsidiaries, step down subsidiaries and step down associate together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March 2024, 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 31st March 2024, 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.

#### **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 matters
<p><b>Contingent liabilities</b></p> <p>The Group has disclosed in Note no. 46 to the consolidated financial statements the contingent liabilities as at 31st March, 2024 which includes disputed liabilities in respect of income tax, sales tax, service tax matters and cases lodged against the Company and one of its subsidiaries with respect to inferior quality of products.</p> <p>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.</p>	<p>The audit procedures included but were not limited to:</p> <ol style="list-style-type: none"> <li>Obtained the summary of all disputed matters of the Group and assessed the management's position through discussions.</li> <li>Obtained a detailed understanding of processes and controls of the Management with respect to disputed matters.</li> <li>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.</li> <li>Evaluating the evidences supporting the judgement of the management about the possible outcomes and the reasonableness of the estimates.</li> <li>Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.</li> </ol>

**Other Matters**

- a) We did not audit the financial statements of three Indian subsidiaries, one step down subsidiary and one step down associate company that are included in the Consolidated Financial Statements, whose financial results, without giving effect to elimination of intra-group transactions, reflect total asset of Rs. 10,532.71 lakhs as at March 31, 2024, total revenue from operations of Rs. 18,979.29 lakhs for the year ended March 31, 2024, total profit after tax of Rs. 1,028.61 lakhs for the year ended March 31, 2024, total comprehensive income of Rs. 1,023.41 lakhs for the year ended March 31, 2024 and net cash outflow of Rs. 138.52 lakhs for the year ended March 31, 2024, 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 Financials Statements, in so far as it relates to the amounts and disclosure included in respect of these subsidiaries, step-down subsidiary and step-down associate company is based solely on the reports of the other auditors and the required procedures performed by us.
- b) The financial statements of two step down foreign subsidiaries included in the consolidated financial statements, whose financial results, without giving effect to elimination of intra-group transactions, reflects total asset of Rs. 307.71 lakhs as at March 31, 2024, total revenues of Rs. 592.08 lakhs for the year ended March 31, 2024, total profit after tax of Rs. 11.87 lakhs for the year ended March 31, 2024, total comprehensive income of Rs. 11.87 lakhs for the year ended March 31, 2024 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 an 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 except for the matters stated in 2(vi) below.
  - 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.
  - e. On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors of the Company, its subsidiaries, step down subsidiaries and step down associates, incorporated in India and the reports of the statutory auditors of those companies, none of the directors of the Group is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act;
- f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in paragraph 1(b) above on reporting under section 143(3)(b) of the Act and paragraph 2(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
- g. 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. 46 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. 51(C) 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. 51(D) 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 and paid during the year by the Company and its Indian subsidiaries is in compliance with Section 123 of the Act.
- vi. Based on our examination which included test checks, the Group has used accounting software, a payroll application and employee reimbursement software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software / application. However, audit trail feature is not enabled at the database level

for accounting software to log any direct data changes as described in note no. 52 to the financial statements.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software, payroll application and employee reimbursement software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

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 31st March, 2024 in accordance with the provisions of Section 197 of the Act.
4. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us and auditors of the respective companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No.101046W / W100063

**Jatin A. Thakkar**

Partner

Membership No.: 134767

**UDIN:** 24134767BKEATS6475

**Place:** Mumbai

**Date:** 25<sup>th</sup> May, 2024



### Annexure - A List of subsidiaries & associate included in the Consolidated Financial Statements

Sr. No.	Name of the entity	Relationship
1.	Chembond Water Technologies Limited	Subsidiary Company
2.	Chembond Chemical Specialties 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) Co. Limited	Step down Foreign Subsidiary Company
12.	Rewasoft Solutions Private Limited	Step down Associate 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 31st March, 2024)

#### 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 31st March, 2024, 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 31st March, 2024.

#### 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 31st March, 2024, 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) (If 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:** 25<sup>th</sup> May, 2024

Consolidated Balance Sheet as at 31<sup>st</sup> March, 2024

	Notes	As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	4,686.85	4,126.58
(b) Capital work-in-progress	2	1,330.43	1,237.13
(c) Goodwill	2	7,459.45	7,459.45
(d) Other Intangible Assets	2	77.05	32.58
(e) Financial Assets			
i) Investments	3	4,347.65	3,730.84
ii) Other financial assets	4	569.75	650.64
(f) Deferred tax Assets (net)	5	452.34	361.68
(g) Income tax asset (net)	6	538.27	472.11
(h) Other non-current assets	7	63.45	124.51
<b>Total Non-current assets</b>		<b>19,525.24</b>	<b>18,195.51</b>
<b>Non Current Assets held for sale</b>	2	-	64.57
<b>Current Assets</b>			
(a) Inventories	8	3,313.80	3,420.37
(b) Financial Assets			
i) Investments	9	4,848.92	2,778.88
ii) Trade receivables	10	12,029.12	11,519.26
iii) Cash and cash equivalents	11	1,010.83	922.63
iv) Bank balances other than (iii) above	12	3,012.28	2,132.53
v) Loans	13	11.05	45.64
vi) Other financial assets	14	116.08	318.91
(c) Current Tax (Net)	15	48.99	41.79
(d) Other current assets	16	780.86	753.96
<b>Total current assets</b>		<b>25,171.93</b>	<b>21,933.97</b>
<b>Total Assets</b>	<b>Total</b>	<b>44,697.17</b>	<b>40,194.05</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
(a) Share capital	17	672.41	672.41
(b) Other equity	18	35,474.11	31,497.01
© Equity attributable to the owners of the company		<b>36,146.53</b>	<b>32,169.42</b>
(d) Non Controlling interest	19	129.90	138.50
<b>Total Equity</b>		<b>36,276.43</b>	<b>32,307.93</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Provisions	20	96.54	83.91
(b) Deferred tax liabilities (net)	21	40.31	37.32
(c) Other non-current liabilities	22	96.03	78.93
<b>Total Non-current liabilities</b>		<b>232.88</b>	<b>200.16</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	23	668.30	652.53
ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	24	482.34	1,032.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	24	4,935.19	4,277.37
iii) Other financial liabilities	25	16.80	32.46
(b) Other current liabilities	26	2,013.15	1,605.59
(c) Provisions	27	72.08	30.40
(d) Current Tax Liabilities (Net)	28	-	55.34
<b>Total current liabilities</b>		<b>8,187.86</b>	<b>7,685.96</b>
<b>Total Equity &amp; Liabilities</b>	<b>Total</b>	<b>44,697.17</b>	<b>40,194.05</b>
Material Accounting Policies, key accounting estimates and judgements and notes on financial statements.	1-58		

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  
DIN: 00105721

**Nirmal V. Shah**  
Vice Chairman  
& Managing Director  
DIN: 00083853

**Mahendra K. Ghelani**  
Director  
DIN: 01108297

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 25<sup>th</sup> May 2024

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 25<sup>th</sup> May 2024

**Suchita Singh**  
Company Secretary

**Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2024**

	Notes	2023-24 ₹ in lakhs	2022-23 ₹ in lakhs
Revenue From Operations	29	46,198.61	44,044.41
Other Income	30	1,726.23	463.61
<b>Total Revenue</b>		<b>47,924.84</b>	<b>44,508.02</b>
<b>Expenses :</b>			
Cost of Materials Consumed	31	20,589.35	19,200.65
Purchases of Stock-in-trade	32	4,043.46	6,387.74
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	33	(265.81)	(87.30)
Employee Benefits Expense	34	7,677.17	7,011.42
Finance Costs	35	117.66	104.13
Depreciation and Amortisation expense	36	554.54	450.53
Other Expenses	37	9,222.49	8,046.11
<b>Total Expenses</b>		<b>41,938.88</b>	<b>41,113.28</b>
<b>Profit before share of profit/(Loss) of an associate and exceptional items</b>		<b>5,985.96</b>	<b>3,394.74</b>
Share of Profit/(Loss) of Step Down Associate		0.51	(1.11)
Profit before Exceptional items and Tax		5,986.47	3,393.63
<b>Profit before Tax</b>		<b>5,986.47</b>	<b>3,393.63</b>
<b>Tax Expense</b>			
Current Tax		1,761.52	1,021.82
Short/(Excess) provision of tax of earlier years		87.96	(28.46)
Deferred Tax		(295.09)	(115.95)
Total Tax Expense		1,554.38	877.41
<b>Profit for the Year</b>		<b>4,432.09</b>	<b>2,516.21</b>
<b>Other Comprehensive Income</b>			
1 i) Items that will not be reclassified to profit or loss		(36.84)	16.36
ii) Income Tax relating to items that will not be reclassified to profit or loss		8.55	(0.65)
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		-	-
<b>Other Comprehensive Income</b>		<b>(28.30)</b>	<b>15.71</b>
<b>Total Comprehensive Income</b>		<b>4,403.79</b>	<b>2,531.92</b>
<b>Profit attributable to:</b>			
Owners of the Company		4,440.97	2,509.56
Non Controlling Interests		(8.88)	6.65
Other Comprehensive Income attributable to-			
Owners of the Company		(28.57)	15.53
Non Controlling Interests		0.27	0.18
Total Comprehensive Income attributable to-			
Owners of the Company		4,412.40	2,525.10
Non Controlling Interests		(8.61)	6.83
<b>Earning Per Equity Share of Face Value of ₹5 each</b>	38		
Basic (in ₹)		33.02	18.66
Diluted (in ₹)		33.02	18.66
Material Accounting Policies, key accounting estimates and judgements and notes on financial statements.	1-58		

As per our attached report of even date **On behalf of the Board of Directors**

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

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**Suchita Singh**  
Company Secretary

## Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2024

### (a) Equity share capital

(₹ in Lakhs)

	No. of Shares	(₹In lakhs)
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>13,448,288</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 2023</b>	<b>13,448,288</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 2024</b>	<b>13,448,288</b>	<b>672.41</b>

### (b) Other Equity

(₹ in Lakhs)

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 31st March 2022</b>	<b>14.72</b>	<b>1,292.42</b>	<b>613.05</b>	<b>27,755.32</b>	<b>36.48</b>	<b>29,711.99</b>	<b>131.68</b>
Profit for the year			-	2,509.57		2,509.57	6.65
Other comprehensive income for the year					15.34	15.34	0.18
Add: CPML Merger effect		93.96				93.96	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>93.96</b>	<b>-</b>	<b>2,509.57</b>	<b>15.34</b>	<b>2,618.89</b>	<b>6.83</b>
Transfer to General Reserve		-		(93.96)		(93.96)	
Dividend Paid				(682.41)		(682.41)	
Tax on Dividend Paid				-		-	
Deduction during the year				(57.48)		(57.48)	-
<b>Balance as at 31st March 2023</b>	<b>14.72</b>	<b>1,386.38</b>	<b>613.05</b>	<b>29,431.03</b>	<b>51.82</b>	<b>31,497.01</b>	<b>138.50</b>
Profit for the year				4,440.97		4,440.97	(8.88)
Other comprehensive income for the year					(28.84)	(28.84)	0.27
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,440.97</b>	<b>(28.84)</b>	<b>4,412.13</b>	<b>(8.61)</b>
Dividend Paid				(403.45)		(403.45)	
Deduction during the year				(31.57)		(31.57)	
<b>Balance as at 31st March 2024</b>	<b>14.72</b>	<b>1,386.38</b>	<b>613.05</b>	<b>33,436.98</b>	<b>22.98</b>	<b>35,474.11</b>	<b>129.90</b>

Material Accounting Policies, key accounting estimates and judgements and notes on financial statements. 1-58

As per our attached report of even date **On behalf of the Board of Directors**

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FRN - 101046W/W100063

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Chief Financial Officer  
Mumbai, 25<sup>th</sup> May 2024

**Suchita Singh**  
Company Secretary

Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2024

(₹ in Lakhs)

		2023-24		2022-23	
<b>A</b>	<b>Cash Flow from Operating Activities</b>				
	Profit before tax		5,985.96		3,394.74
	Adjustments for :				
	Depreciation and amortisation	554.54		450.53	
	Loss on Sale of Property, plant & equipments	-		1.44	
	Finance Cost	117.66		104.13	
	Foreign Exchange Fluctuation Loss	50.84	723.05		556.10
	Less :				
	Foreign Exchange Fluctuation Gain	-		20.27	
	Net Gain on sale of Investments	129.97		185.66	
	Fair valuation of Investments (Net)	806.12		48.63	
	Effect of previous year transaction/Preacquisition profits	6.85		(15.80)	
	Interest from fixed deposits and loans at effective interest rate	174.73		121.69	
	Gain from sale of property plant & equipment	524.79		-	
	Dividend Received	7.04		8.39	
			(1,649.48)		(368.82)
	Operating Profit before working capital changes		5,059.52		3,582.01
Adjustments for :					
Trade and Other Receivables	(1,037.15)		(4,408.14)		
Inventories	90.47		(27.51)		
Trade and Other Payables	638.40	(308.28)	1,678.54	(2,757.11)	
Cash generated from operations		4,751.24		824.90	
Income taxes paid (Net of Refund)		(1,986.43)		(729.92)	
		2,764.82		94.98	
<b>B</b>	<b>Net Cash from Operating Activities (A)</b>				
	<b>Cash Flow from Investing Activities</b>				
	Payment to acquire Property, plant & equipments		(1,212.72)		(1,464.44)
	Proceeds from Sale of Property, plant & equipments		635.79		201.90
	Purchase of Investments		(2,940.25)		(2,593.67)
	Sale of Investments		1,164.14		3,861.74
	Dividend Income		7.04		8.39
	Interest from fixed deposits and loans at effective interest rate		174.73		121.69
	<b>Net Cash used in Investing Activities (B)</b>		(2,171.27)		135.62
	<b>Cash Flow from Financing Activities</b>				
	Proceeds/(Repayment) of Short Term Borrowings		15.77		572.52
	Dividend paid		(403.45)		(682.41)
	Proceeds/(Repayment) of Long Term Borrowings		-		8.32
	Finance Cost		(117.66)		(104.13)
	<b>Net Cash from Financing Activities (C)</b>		(505.34)		(205.71)
	<b>Net (Decrease)/Increase in Cash &amp; Cash Activities (A+B+C)</b>		88.20		24.89
	Cash and Cash Equivalents as on Opening		922.63		897.74
	Cash and Cash Equivalents as on Closing		1,010.83		922.63

Components of Cash and Bank balance:

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
1) Cash & Cash Equivalents:		
Cash on hand	2.58	2.22
Balances with banks:		
-in current accounts	1,008.25	920.41
<b>Total</b>	<b>1010.83</b>	<b>922.63</b>

2) The above cashflow statement has been prepared under the indirect method as set out in the IND-AS 7 on the statement of cashflow as notified under Companies(Indian Accounting Standards) Rules, 2015 as amended.

**Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2024 (Continue)****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:

(₹ in Lakhs)

Particulars	Note No.	1 st April 2023	Cashflow	Foreign Exchange Movement	31 st March 2024
<b>Non-current liabilities</b>					
- Borrowings		-	-	-	-
<b>Current Liabilities</b>					
- Borrowings	23	652.53	15.77	-	668.30
- Other financial liabilities					
Unpaid dividends	25	16.64	(0.12)	-	16.51
<b>Total</b>		<b>669.17</b>	<b>15.65</b>	<b>-</b>	<b>684.82</b>

Particulars	Note No.	1 st April 2022	Cashflow	Foreign Exchange Movement	31 st March 2023
<b>Non-current liabilities</b>					
- Borrowings		-	-	-	-
<b>Current Liabilities</b>					
- Borrowings	23	80.02	572.51	-	652.53
- Other financial liabilities					
Unpaid dividends	25	16.57	0.07	-	16.64
<b>Total</b>		<b>96.59</b>	<b>572.58</b>	<b>-</b>	<b>669.17</b>

Material Accounting Policies, key accounting estimates and judgements and notes on financial statements. 1-58

As per our attached report of even date **On behalf of the Board of Directors**

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FRN - 101046W/W100063

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Mumbai, 25<sup>th</sup> May 2024

**Suchita Singh**  
Company Secretary

## Notes to the Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2024

### 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, Step-Down Subsidiaries and Step-Down Associates (collectively the 'Group' and individually 'Group companies').

The group is engaged in manufacturing of Speciality Chemicals.

#### 1. Basis of Preparation, Material Accounting Policies, Key Accounting estimates and Judgements and Recent Accounting Pronouncements

##### 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.

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 presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated

##### 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 Group Companies.	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 Chemical Specialties Limited (CCSL)	India	100%
5.	Chembond Calvatis Industrial Hygiene Systems Limited (CCIHSL)	India	55%
6.	Phiroze Sethna Private Limited (PSPL)	India	100%
7.	Chembond Distribution Limited (CDL)	India	100%
	<b>Step-Down Subsidiaries</b>		
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. Limited	Thailand	100%
	<b>Step-Down Associate</b>		
12	Rewasoft Solutions Private Limited	India	40%



### 1.3 Summary of Material accounting policies

#### a) Property, Plant and Equipment

The cost of an item of Property, Plant and Equipment ('PPE') is recognised as an asset if, and only if, it is probable that the future economic benefits associated with the item will flow to the Group and the cost can be measured reliably,

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including import duties and non-refundable purchase taxes but excluding any trade discount and rebates), and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. When an item of PPE is replaced, then its carrying amount is derecognised and the cost of the new item of PPE is recognised. Further, in case the replaced part was not depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired. All other repair and maintenance cost are recognised in Statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of PPE and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit and loss when the PPE is derecognised.

The Group identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

#### 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. Intangible assets (apart from goodwill) are amortized over a period of 10 years on straight line method.

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 (Including Step-Down Subsidiaries), 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 (Including Step-Down Subsidiaries), Chembond Material Technologies Private Limited (CMTPL), Chembond Water technologies (Malaysia) SDN.BHD, Chembond Water technologies (Thailand) Company Ltd & 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 Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group.

- i. Revenue from sales is recognised when goods are supplied and control over the Goods sold is transferred to the buyer which is on dispatch/ delivery as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sales of the goods. This is considered the appropriate point where the performance obligations in the contracts are satisfied as the Group no longer has control over the inventory sales are presented net of returns, trade discounts rebates and Goods and service tax (GST).
- ii. Revenue from services is recognised pro-rata as and when services are rendered over a specified period of time. The Group collects goods and service tax on behalf of the government and therefore it is not an economic benefit flowing to the Group. Hence it is excluded from the revenue. .
- 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 generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred..

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Company as a lessor**

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over

the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Group 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 Group net investment outstanding in respect of the leases

#### g) Inventories:

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 Group 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 Group 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 Group 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 Group's right to receive payments is established.

#### **De-recognition**

A financial asset derecognized only when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

#### **Impairment of financial assets**

In accordance with Ind-AS 109, the Group 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 Group 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 Group'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 Group 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 Group'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 Group.

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 Group 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 Group 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 Group 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 Group 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 Expected Credit Loss

#### **m) Trade Payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are usually unsecured. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value..

#### **n) 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 Income Tax is recognised using the Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and their carrying amount, except when the deferred income tax arises from the initial recognition of an assets or liability in a transaction that is not a business combination and affects neither

accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

#### **o) 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 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.

#### **p) 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 Group 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.

#### **Post Employment Benefits**

##### **I. Defined Contribution Plan**

Defined contribution plans are employee state insurance scheme and Government

administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans:

The Group recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Group during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

## II. Defined Benefit plans:

### Provident Fund scheme

The Group makes specified monthly contributions towards Employee Provident Fund scheme in accordance with the statutory provisions

### Gratuity scheme

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

### Pension Scheme:

The Group 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.

### Recognition and measurement of Defined Benefit plans:

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 Group presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

### • Other Long Term Employee Benefits:

The Group does not allow encashment of leave Balance.

### q) 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.

### r) 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.

### s) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity

shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

#### t) Current / Non-Current Classification:

The Group presents assets and liabilities in the balance sheet based on current/non-current classification as per IND AS 1

An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle.
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all their liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its normal operating cycle.

#### u) 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 Group 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.

#### v) Dividend

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013 in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### 1.4 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. **Property Plant & Equipment** - Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- b. **Provisions**- Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.
- c. **Taxes** - Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could change if estimates of future taxable income changes in the future.
- d. **Defined Benefit Obligations** - The cost of defined benefit gratuity plans, and post-retirement medical benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

## 1.5 Recent Accounting Pronouncements

### (i) New and Amended Standards Adopted by the Group :

The Group has applied the following amendments for the first time for their annual reporting period commencing April 1, 2023 :

#### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

#### Ind AS 1 – Presentation of Financial Statements

The amendments to Ind AS 1 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. This amendment do not have any material impact on the Company's financial statements and disclosures.

#### Ind AS 12 – Income Taxes

The amendments to Ind AS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The above amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### ii) New Standards/Amendments notified but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31<sup>st</sup>, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2 Property, plant and equipment, Intangibles and Capital work in progress as at 31<sup>st</sup> March, 2024

(₹ in Lakhs)

DESCRIPTION Particulars	GROSS BLOCK (AT COST)				DEPRECIATION INCLUDING AMORTISATION				NET BLOCK	
	As at 1.04.2023	Additions	Disposal, Transfer & Adjustments	As at 31.03.2024	As at 1.04.2023	Additions for the Year	Disposal, Transfer & Adjustments	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
<b>Property, plant and equipment</b>										
<b>Tangible Asset</b>										
Leasehold Land	98.28	-	0.06	98.22	7.99	1.33	-	9.32	88.89	90.28
Freehold Land	148.09	-	-	148.09	-	-	-	-	148.09	148.09
Buildings*	2,660.79	498.90	-	3,159.69	574.49	98.44	-	672.93	2,486.76	2,086.30
Equipment & Machinery	2,575.90	414.55	15.76	2,974.69	1,045.62	357.79	7.29	1,396.12	1,578.57	1,530.28
Computers Hardware	159.26	23.43	-	179.22	112.36	27.23	3.18	136.41	42.81	46.90
Furniture & Fixtures	230.95	18.43	3.47	249.38	139.72	18.31	-	158.03	91.35	91.24
Motor Cars	116.68	-	-	116.68	93.15	8.34	-	101.49	15.19	23.53
Electrical Installations & Equipment	239.87	158.47	0.10	398.24	129.91	33.20	0.06	163.05	235.19	109.96
<b>Sub- total</b>	<b>6,229.82</b>	<b>1,113.78</b>	<b>19.39</b>	<b>7,324.21</b>	<b>2,103.24</b>	<b>544.64</b>	<b>10.53</b>	<b>2,637.35</b>	<b>4,686.85</b>	<b>4,126.58</b>
<b>Intangible Assets</b>										
Goodwill	7,459.45	-	-	7,459.45	-	-	-	-	7,459.45	7,459.45
Technical Know How	52.71	-	-	52.71	51.78	0.18	-	51.96	0.75	0.93
Computer Software	114.63	54.37	-	169.00	82.98	9.72	-	92.70	76.30	31.65
<b>Sub- total</b>	<b>7,626.79</b>	<b>54.37</b>	<b>-</b>	<b>7,681.16</b>	<b>134.76</b>	<b>9.90</b>	<b>-</b>	<b>144.66</b>	<b>7,536.50</b>	<b>7,492.03</b>
<b>Total</b>	<b>13,856.61</b>	<b>1,168.15</b>	<b>19.39</b>	<b>15,005.37</b>	<b>2,238.00</b>	<b>554.54</b>	<b>10.53</b>	<b>2,782.01</b>	<b>12,223.36</b>	<b>11,618.62</b>
<b>Previous Year</b>	<b>14,232.97</b>	<b>327.80</b>	<b>704.16</b>	<b>13,856.62</b>	<b>2,193.45</b>	<b>439.61</b>	<b>395.06</b>	<b>2,238.00</b>	<b>11,618.61</b>	<b>12,039.52</b>
<b>Capital Work in Progress</b>									<b>1,330.43</b>	<b>1,237.13</b>
<b>Non Current asset held for sale-Building*</b>									<b>-</b>	<b>64.57</b>

DESCRIPTION Particulars	GROSS BLOCK (AT COST)				DEPRECIATION INCLUDING AMORTISATION				NET BLOCK	
	As at 1.04.2022	Additions	Disposal, Transfer & Adjustments	As at 31.03.2023	As at 1.04.2022	Additions for the Year	Disposal, Transfer & Adjustments	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
<b>Property, plant and equipment</b>										
<b>Tangible Asset</b>										
Leasehold Land	98.28	-	-	98.28	6.61	1.38	-	7.99	90.28	91.66
Freehold Land	148.09	-	-	148.09	-	-	-	-	148.09	148.09
Buildings*	2,767.80	15.92	122.93	2,660.79	504.37	87.65	17.53	574.49	2,086.30	2,263.43
Equipment & Machinery	2,824.41	290.65	539.16	2,575.90	1,132.29	268.13	354.80	1,045.62	1,530.28	1,692.12
Computers Hardware	161.10	15.92	17.75	159.26	108.44	17.82	13.89	112.36	46.90	52.66
Furniture & Fixtures	235.08	3.55	7.68	230.95	127.50	16.31	4.10	139.72	91.24	107.58
Motor Cars	116.68	-	-	116.68	79.89	13.26	-	93.15	23.53	36.79
Electrical Installations & Equipment	254.72	1.77	16.62	239.87	115.78	18.87	4.73	129.91	109.96	138.94
<b>Sub- total</b>	<b>6,606.15</b>	<b>327.80</b>	<b>704.13</b>	<b>6,229.83</b>	<b>2,074.88</b>	<b>423.42</b>	<b>395.06</b>	<b>2,103.24</b>	<b>4,126.58</b>	<b>4,531.27</b>
<b>Intangible Assets</b>										
Goodwill	7,459.45	-	-	7,459.45	-	-	-	-	7,459.45	7,459.45
Technical Know How	52.71	-	-	52.71	44.18	7.60	-	51.78	0.93	8.53
Computer Software	114.66	-	0.03	114.63	74.39	8.59	-	82.98	31.65	40.27
<b>Sub- total</b>	<b>7,626.82</b>	<b>-</b>	<b>0.03</b>	<b>7,626.79</b>	<b>118.57</b>	<b>16.19</b>	<b>-</b>	<b>134.76</b>	<b>7,492.03</b>	<b>7,508.25</b>
<b>Total</b>	<b>14,232.97</b>	<b>327.80</b>	<b>704.16</b>	<b>13,856.62</b>	<b>2,193.45</b>	<b>439.61</b>	<b>395.06</b>	<b>2,238.00</b>	<b>11,618.61</b>	<b>12,039.52</b>
<b>Previous Year</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>36.57</b>	<b>2,193.46</b>	<b>12,069.52</b>	<b>12,155.39</b>
<b>Capital Work in Progress</b>									<b>1,237.13</b>	<b>70.22</b>
<b>Non Current asset held for sale-Building*</b>									<b>64.57</b>	<b>-</b>

Note: Previous year figures have been regrouped and reclassified wherever necessary.

### 3 Financial Assets (Non-Current)

	As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
<b>Investments</b>		
<b>Investments in Equity shares carried 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.	3.79	3.88
<b>Investment in Secured Bonds carried at amortised cost</b>		
500 (PY- Nil) Secured Non-Convertible Redeemable REC Capital Gains Tax Exemption Bonds.	50.00	-
<b>Investments in Equity Shares carried at fair value through Profit and Loss Quoted</b>		
15,000 (15,000) Equity Shares of Hindustan Petroleum Corporation Ltd. of ₹10/- each fully paid up.	71.35	35.52
9,114 (5,425 ) Equity Shares of HDFC Limited of ₹2/- each fully paid up	131.96	142.53
3,700 (2,850 ) Equity Shares Tata Consultancy Services Limited of ₹1/- each fully paid up	143.42	91.37
<b>Investments in Mutual fund carried at fair value through Profit and Loss Quoted</b>		
1,00,991.79 (PY-1,00,991.79) Units of SBI Magnum Gilt Fund-Long Term-Regular plan Growth	60.37	55.68
38,58,187.14 (PY- 37,44,442.78) Units of ICICI Prudential Short Term Gilt Fund-Growth	3,578.41	3,195.56
21,859.47 (PY- 45,149.59) Units of ICICI Prudential Saving fund	107.82	206.29
3919.59 (PY- Nil) units - HDFC Flexi Cap Fund	62.94	-
11405.77 (PY- Nil) units - SBI Large & Midcap F	58.60	-
89,600.40 (PY- Nil) units Kotak Gilt Investement (G)	79	-
<b>Total</b>	<b>4,347.65</b>	<b>3,730.84</b>
Aggregate amount of Quoted Investments and market value there of	4,293.86	3,726.95
Aggregate amount of Unquoted Investments	53.79	3.88
Aggregate amount of Impairment in value of investment	-	-
<b>4 Other Non- Current Financial Assets</b>		
(Unsecured & considered good)		
Bank Deposits with more than 12 months maturity	503.41	588.96
Other Deposits	66.34	61.67
<b>Total</b>	<b>569.75</b>	<b>650.64</b>
<b>5 Deferred Tax Asset (Net)</b>		
Deferred tax Asset		
Gratuity	23.33	(0.28)
MAT Credit	649.00	301.96
Other deductible temporary differences	43.67	23.42
Provision for Expected credit loss	377.22	136.46
	<b>1,093.22</b>	<b>461.55</b>
Deferred tax Liability		
Written down value of Property Plant & Equipment	425.79	77.23
Investments at Fair Value	215.10	22.64
	<b>640.89</b>	<b>99.87</b>
<b>Net Deferred Tax Asset</b>	<b>452.34</b>	<b>361.68</b>
<b>6 Income tax asset (net)</b>		
Advance Income Tax (Net of Provision)	538.27	472.11
<b>Total</b>	<b>538.27</b>	<b>472.11</b>
<b>7 Other non-current assets</b>		
Capital Advances	-	54.13
Other Advances	0.68	5.70
Prepaid expenses	0.33	1.23
Gratuity	62.44	63.45
<b>Total</b>	<b>63.45</b>	<b>124.50</b>

**8 Inventories**  
**(At lower of Cost or Net Realisable Value)**

Raw Materials  
Packing Materials  
Finished Goods\*  
Stock-in-Trade\*\*  
Work in Progress

Less: Stock Reserve

**Total**

**As at 31/03/2024**  
**₹ in lakhs**

1,543.37  
147.96  
1,214.83  
384.20  
70.29

**3,360.65**  
46.85

**3,313.80**

**As at 31/03/2023**  
**₹ in lakhs**

1,808.16  
123.00  
868.43  
651.54  
-

**3,451.13**  
30.76

**3,420.37**

\*Finished goods includes Stock in transit amounting to ₹185.50 lakhs as at 31<sup>st</sup> March 2024 (₹118.01 as at 31<sup>st</sup> March 2023)

\*\*Stock In Trade include Stock in Trade in transit amount to ₹10.81 lakhs as at 31<sup>st</sup> March 2024 (₹8.20 Lakhs as at 31<sup>st</sup> March 2023)

**9 Investments (Current)**

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

Nil (PY- 49.542) Units of Reliance Liquid Fund -Treasury Plan - Daily Dividend

97,328.75 (PY-1511.516) units of ICICI Prud Liquid Fund

4,76,937.50 (PY-2,34,787.36) Units of ICICI Prudential Gilt Fund -(G)

14,63,712.750 (PY- NIL) Unit of Kotak Balanced AF Regular Growth

10,53,730.58 (PY- 14,06,855.59) Units of Axis – Bluechip Fund (G)

21,739.866 (PY- 21,739.866) Units Kotak Standard Multicap Fund-Growth

3,50,183.50 (PY- 3,50,183.50) Units of Mirae Asset Equity Fund Fund-Regular (G)

18,393.226 (PY- 18,393.226) Units SBI Blue Chip Fund-Regular (G)

NIL (PY- 1,05,746.49) ICICI Prudential Savings Fund – (G)

9,671.27 (PY- 4,389.52) Units of Kotak Liquid Scheme Regular Plan (G)

8,77,805.57 (PY- 8,77,805.57) Units Kotak Gilt Investement (G)

49,838.00 (PY- 49,819.151) ICICI Prudential Equity And Debt Fund (G)

180,922.74 (PY- NIL) HDFC Ultra Short Term Debt Fund - Reg (G)

1,73,454.71 (PY- NIL) HDFC Balance advantage fund

5,90,242.2750 (PY- Nil) ICICI Prudential Balanced Advantage Fund

14,478.91 (PY- Nil) ICICI Money Market

13,25,450 (PY- 6,77,992.742) HDFC Short Term Debt Fund - Reg (G)

**Total**

**4,848.92**

**2,778.88**

Aggregate amount of Quoted Investments and Market Value thereof

4,848.92

2,778.88

10 Trade Receivables	As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
(a) Trade receivables considered good - Secured	-	-
(b) Trade receivables considered good - UnSecured		
(i) Considered Good	12,029.12	11,519.26
(ii) Credit Impaired	1,464.99	652.38
<b>Total</b>	<b>13,494.10</b>	<b>12,171.64</b>
(c) Trade Receivables which have significant increase in Credit Risk	-	-
Less - Impairment Loss allowance (Refer note 10 III)	(1,464.99)	(652.38)
<b>Total</b>	<b>12,029.12</b>	<b>11,519.26</b>
I For Related party transactions Refer Note No.43		
II For Trade Receivables Ageing Schedule Refer Note No 48		
III <b>Movement in Credit Impaired</b>		
<b>Provision at the beginning of the year</b>	652.38	485.79
Add: Provision during the year	818.29	215.73
Less: Reversal during the year	(5.68)	(49.13)
<b>Provision at the year end</b>	<b>1,464.99</b>	<b>652.38</b>
<b>11 Cash and Cash equivalents</b>		
<b>Balances with banks</b>		
In Current Accounts	1,008.25	920.41
Cash on hand	2.58	2.22
<b>Total</b>	<b>1,010.83</b>	<b>922.63</b>
<b>12 Bank balances other than cash and cash equivalents</b>		
Margin money (Including bank deposits with more than 3 months maturity)	2,995.77	2,123.05
In Unpaid Dividend Accounts	16.51	9.48
<b>Total</b>	<b>3,012.28</b>	<b>2,132.53</b>
<b>13 Loans</b>		
(Unsecured & considered good)		
Loan and advance to Employees	11.05	13.22
Other Loans and Advances	-	32.42
<b>Total</b>	<b>11.05</b>	<b>45.64</b>
<b>14 Other Current Financial Assets</b>		
(Unsecured & considered good)		
Advance given for purchase of mutual fund units	-	220.00
Security Deposits	116.08	96.09
Deposit - Excise	-	2.82
<b>Total</b>	<b>116.08</b>	<b>318.91</b>

15 Current Tax (Net)	As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
Advance tax (Net of Provision)	48.99	41.79
<b>Total</b>	<b>48.99</b>	<b>41.79</b>
16 Other Current Assets		
Accrued Interest	35.19	0.27
Prepaid expenses	75.36	85.22
Advances for supply of goods and services	185.26	207.98
Balances with government authorities	272.64	267.83
Gratuity	10.63	11.29
Other Current Assets	23.46	21.02
Advance to employees	7.81	-
Insurance Claim Receivable (Refer Note.56)	170.51	160.35
<b>Total</b>	<b>780.86</b>	<b>753.96</b>
17 Share Capital		
<b>Authorised</b>		
2,00,00,000 (PY 2,00,00,000) Equity Shares of ₹5/- each	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, Subscribed and Paid up</b>		
134,48,288 (PY 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	13,448,288	13,448,288
Additions during the year	-	-
Deductions during the year	-	-
<b>Number of shares outstanding at the end of the year</b>	<b>13,448,288</b>	<b>13,448,288</b>

**b Details of Shareholders holding more than 5% Shares**

Name of the Shareholder	% Held	As at 31/03/2024 No of Shares	% Held	As at 31/03/2023 No of Shares
Nirmal Vinod Shah	13.35%	1,795,090	13.35%	1,794,890
Sameer Vinod Shah	12.54%	1,686,844	12.54%	1,686,744
Padma Vinod Shah	12.57%	1,691,100	12.57%	1,691,000
Visan Holding Pvt. Ltd.	9.75%	1,310,630	9.75%	1,310,630

**c Disclosure of shareholding of Promoters**Disclosure of shareholding of promoters as at 31<sup>st</sup> March, 2024 is as follows:

Shares held by promoter at the end of the year				
Sr. No.	Promoter Name	No. of shares	% of total shares	% change during the year
1.	Nirmal Vinod Shah	1,795,090	13.35%	0.0015%
2.	Sameer Vinod Shah	1,686,844	12.54%	0.0007%
3.	Ashwin Ratilal Nagarwadia	500,000	3.72%	-
4.	Shah Bhadresh	188,934	1.40%	-
	<b>Total</b>	<b>4,170,868</b>	<b>31.01%</b>	

Disclosure of shareholding of promoters as at 31<sup>st</sup> March, 2023 is as follows:

Shares held by promoter at the end of the year				
Sr. No.	Promoter Name	No. of shares	% of total shares	% change during the year
1.	Nirmal Vinod Shah	1,794,890	13.35%	0.31%
2.	Sameer Vinod Shah	1,686,744	12.54%	0.30%
3.	Ashwin Ratilal Nagarwadia	500,000	3.72%	-
4.	Shah Bhadresh	188,934	1.40%	-
	<b>Total</b>	<b>4,170,568</b>	<b>31.01%</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  
Add : CPML Merger Effect  
Less : Adjustment against Goodwill

**As at 31/03/2024**  
₹ in lakhs

14.72

-

**14.72****As at 31/03/2023**  
₹ in lakhs

14.72

30.00

(30.00)

**14.72****General Reserve**

As per last year  
Add : CPML Merger Effect

1,386.38

-

**1,386.38**

1,292.42

93.96

**1,386.38****Securities Premium**

As per last year  
Addition during the year

613.05

-

**613.05**

613.05

-

**613.05****Retained Earnings**

As per last year  
Add: Profit for the Year  
Addition / (Deduction) during the year

29,431.04

4,440.97

(31.57)

**33,840.44**

27,755.32

2,509.57

(57.48)

**30,207.41**

	As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
Less: Appropriations		
Transferred to General Reserve	-	(93.96)
Other Comprehensive Income/(Loss) for the year	-	-
Dividend Paid	(403.45)	(682.41)
	<b>33,436.99</b>	<b>29,431.04</b>
<b>Other Comprehensive Income (OCI)</b>		
Remeasurements of the net defined benefit Plans		
As per last year	51.82	36.48
Addition/ (Deduction) during the year	(28.57)	15.52
Less: Non Controlling Interest	(0.27)	(0.18)
	<b>22.98</b>	<b>51.82</b>
<b>Total</b>	<b>35,474.11</b>	<b>31,497.01</b>

**Nature and purpose :****Capital Reserve:**

The Group recognises the difference on purchase, sale, issue or cancellation of group Company's own equity instruments to Capital Reserve. Capital Reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**General Reserve:**

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

**Securities Premium :**

Securities Premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

**Retained Earnings:**

Retained Earnings are the profits of the Group earned till date net of appropriations.

**19 Non Controlling Interest****Share Capital**

Opening Balance	22.50	22.50
Addition during the year	-	-
Deduction during the year	-	-
Closing Balance	<b>22.50</b>	<b>22.50</b>

**Securities Premium**

As per last year	4.05	4.05
Add: Received during the year	-	-
	<b>4.05</b>	<b>4.05</b>

**Retained Earnings**

Opening Balance	111.96	105.13
Addition/ (Deduction) during the year	(8.88)	6.65
Add: Non Controlling Interest (OCI)	0.27	0.18
Closing Balance	<b>103.35</b>	<b>111.96</b>

<b>Total</b>	<b>129.90</b>	<b>138.50</b>
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20 Provisions- Non Current	As at 31/03/2024 ₹ in lakhs	As at 31/03/2023 ₹ in lakhs
Provision for Gratuity	96.54	83.91
<b>Total</b>	<b>96.54</b>	<b>83.91</b>
<b>21 Deferred Tax Liability (Net)</b>		
Deferred tax Liability		
Written Down Value of Property Plant & Equipment	36.49	412.85
Investments at Fair Value	27.55	103.31
	64.04	516.16
Deferred tax Asset		
Gratuity	-	9.88
MAT Credit	2.88	437.51
Other Deductible Temporary Differences	10.02	0.58
Provision for Expected Credit Loss	10.82	30.88
	23.73	478.84
Net Deferred Tax Liability	<b>40.31</b>	<b>37.32</b>
<b>Total</b>	<b>40.31</b>	<b>37.32</b>
<b>22 Other Non- Current Liabilities</b>		
Dealer Deposits	96.03	78.93
	<b>96.03</b>	<b>78.93</b>
<b>23 Current Borrowings</b>		
(Repayable on demand)		
Secured		
Working Capital Loan from Banks	668.30	652.53
<b>Total</b>	<b>668.30</b>	<b>652.53</b>
a Working Capital loan is secured by charge on Inventories, Trade Receivables & Bank Deposits.		
<b>24 Trade Payables</b>		
Total Outstanding Dues of Micro and Small Enterprises	482.34	1,032.29
Total Outstanding Dues of Creditors other than Micro and Small Enterprises	4,935.19	4,277.37
<b>Total</b>	<b>5,417.54</b>	<b>5,309.66</b>
a For Related party transaction Refer Note No.43		
b For Trade Payable Ageing Schedule Refer Note No 49		
c The Group 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	482.34	1,032.29
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	1.81	1.37
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	834.18
Interest paid/adjusted to suppliers under MSMED Act, 2006 (other than section 16)	-	2.24
Interest paid/adjusted to suppliers under MSMED Act, 2006 (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, 2006 for payments already made	1.81	1.37
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	1.81	1.37

The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of declaration received from parties & information available with company. This has been relied upon by the Auditors.

<b>25 Other Current Financial Liabilities</b>	<b>As at 31/03/2024</b> ₹ in lakhs	<b>As at 31/03/2023</b> ₹ in lakhs
Creditors for Capital Expenditure	0.28	15.82
Unclaimed Dividend *	16.51	16.64
<b>Total</b>	<b>16.80</b>	<b>32.46</b>
* Not due for Deposit to Investor Education and Protection Fund		
<b>26 Other Current Liabilities</b>		
Statutory Dues	180.31	380.99
Employee benefits	1,315.74	910.59
Others (Including advance received from customers & Insurance claim)	517.10	314.00
<b>Total</b>	<b>2,013.15</b>	<b>1,605.58</b>
<b>27 Short-term Provisions</b>		
Provision for Gratuity	72.08	30.40
<b>Total</b>	<b>72.08</b>	<b>30.40</b>
<b>28 Current Tax Liabilities (Net)</b>		
Provision for tax		
Provision for Current Tax (Net of Advance Tax)	-	55.34
<b>Total</b>	<b>-</b>	<b>55.34</b>

	<b>2023-2024</b> ₹ in lakhs	<b>2022-2023</b> ₹ in lakhs
<b>29 Revenue from Operations</b>		
Sale of Goods	42,327.41	40,912.54
Sale of Services	3,704.71	3,000.15
Other Operating revenue	166.49	131.72
<b>Total</b>	<b>46,198.61</b>	<b>44,044.41</b>
<b>30 Other Income</b>		
Dividend from Equity Investments	6.99	8.39
Dividend from Mutual Funds	0.05	-
	7.04	8.39
Net gain on sale of investments	129.97	185.66
Interest at Effective Interest Rate	174.73	121.69
Rent (Gross)	5.68	8.41
Bad Debts Recovered	13.12	9.54
Profit on Sale of Property Plant & Equipment	524.79	0.70
Foreign Exchange Fluctuation Gain	4.25	20.27
Discount Received	0.05	0.55
Miscellaneous Income	20.10	59.77
Gain on fair valuation of investments	806.12	48.63
Credit Balances Written Back	40.38	-
<b>Total</b>	<b>1,726.23</b>	<b>463.61</b>
<b>31 Cost of materials consumed</b>		
Raw Materials Consumed	18,802.58	17,504.47
Packing Materials Consumed	1,786.77	1,696.18
<b>Total</b>	<b>20,589.35</b>	<b>19,200.65</b>
<b>32 Purchases of stock-in-trade</b>		
Purchases of Stock-in-trade	4,043.46	6,387.74
<b>Total</b>	<b>4,043.46</b>	<b>6,387.74</b>
<b>33 Changes in inventory of Finished goods, Work in progress and Stock in Trade</b>		
(a) Finished goods/ Stock in Trade/ Work In Progress (At Close)	1,611.13	1,345.32
Finished goods	1,168.83	765.56
Work In Progress	49.82	45.30
Stock in Trade	392.48	534.46
(b) Finished goods/ Stock in Trade/ Work In Progress (At commencement)	1,345.32	1,258.02
Finished goods	765.56	885.50
Work In Progress	45.30	38.73
Stock In Trade	534.46	333.78
<b>Total (b-a)</b>	<b>(265.81)</b>	<b>(87.30)</b>
<b>34 Employee benefits expense</b>		
Directors' Remuneration	383.46	277.78
Salaries & Wages	6,596.69	6,043.40
Contribution to Provident & other funds	491.41	470.41
Staff Welfare Expenses	205.62	219.82
<b>Total</b>	<b>7,677.17</b>	<b>7,011.42</b>

a For Related party transaction Refer Note No.43

**35 Finance Costs**

- (a) Interest Expense at Effective Interest rate
  - Banks
  - MSMED
  - Others
- (b) Other borrowing costs
  - Bank Guarantee fees & charges

	FY 2023-2024 ₹ in lakhs	FY 2022-2023 ₹ in lakhs
	18.73	28.40
	1.81	1.37
	42.06	22.97
	55.06	51.38
<b>Total</b>	<b>117.66</b>	<b>104.13</b>

**36 Depreciation and Amortisation expenses**

- Depreciation and Amortisation Expenses

	554.54	450.53
<b>Total</b>	<b>554.54</b>	<b>450.53</b>

**37 Other Expenses**

**Manufacturing Expenses**

- Freight Inwards
- Consumable stores
- Power, Fuel & Water Charges
- Research and Development
- Laboratory Expenses
- Repairs and Renewals to Plant & Machinery
- Godown Rent
- Labour Charges
- Security Expenses
- Factory Maintenance
- Technical Service Charges
- Rent - Manufacturing

	18.65	31.91
	350.89	532.96
	102.13	128.48
	83.49	84.68
	16.88	15.48
	80.88	58.64
	38.25	48.14
	1,521.55	1,188.90
	109.38	96.07
	76.18	52.26
	87.17	90.69
	39.12	36.67
<b>A</b>	<b>2,524.57</b>	<b>2,364.86</b>

**Administrative Expenses**

- Directors' Sitting Fees
- Rates & Taxes
- Electricity charges
- Printing and stationary
- Telephone & Postage Expenses
- Insurance
- Motor car expenses
- Auditors Remuneration (Refer note a)
- Legal, Professional & consultancy fees
- Repairs & Maintenance Buildings
- Repairs & Maintenance Others
- Miscellaneous expenses
- Donation
- Corporate Social responsibility Expenditure
- Sales Tax & Other Taxes
- Loss on Sale of Property Plant & Equipment
- Loss on Fair Value of Investments
- Provision for Expected credit loss on trade receivables
- Input GST Reversed
- Foreign Exchange Fluctuation Loss
- Debit Balance Written Off
- Bad Debts Written Off
- Loss by Fire
- Computer Expense

	25.98	16.60
	66.52	56.91
	123.75	68.43
	25.51	27.05
	66.52	54.14
	108.00	79.25
	105.31	78.85
	50.55	43.05
	746.43	612.20
	15.03	1.74
	301.54	232.67
	133.94	157.15
	0.50	0.34
	57.88	37.35
	-	1.76
	-	1.43
	-	21.58
	818.29	215.73
	35.14	37.33
	55.09	127.37
	-	0.11
	70.62	5.66
	-	65.98
	60.98	50.79
<b>B</b>	<b>2,867.58</b>	<b>1,993.47</b>

**Selling and Distribution Expenses**

	2023-2024 ₹ in lakhs	2022-2023 ₹ in lakhs
Carriage outwards	1,504.71	1,453.99
Rent	29.65	41.27
Commission on sales	470.47	529.42
Travelling Expenses	1,173.41	800.53
Conveyance expenses	188.82	179.83
Royalty Expenses	41.51	45.25
Advertising & Publicity Expenses	7.92	18.40
Warehousing Charges	24.35	24.30
Packing Expenses	12.87	12.62
Sales Promotion Expenses	237.33	476.37
Business Support Services	139.30	105.77
<b>C</b>	<b>3,830.34</b>	<b>3,687.76</b>
<b>Total (A+B+C)</b>	<b>9,222.49</b>	<b>8,046.11</b>

**a Auditor's Remuneration consists of:**

Statutory Audit Fees	44.40	35.92
Tax Audit Fees	3.06	3.23
Taxation and Other Matters	3.09	3.90
<b>Total</b>	<b>50.55</b>	<b>43.05</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:

Group as a Lessee

	Total Minimum Lease Payment Outstanding as on 31/03/2024	Total Minimum Lease Payment Outstanding as on 31/03/2023
Due within one year	44.94	102.08
Due later than one year and not later than five years	33.32	-
Due later than five years	-	-
Lease payments recognised in the Statement of Profit & Loss	130.22	162.92

(₹ in lakhs)

**38 EARNINGS PER SHARE**

	2023-2024 ₹ in lakhs	2022-2023 ₹ in lakhs
Net Profit available to Equity Shareholders (Rs. In Lakhs)	4,440.97	2,509.57
Total number of Equity Shares (Face value of Rs. 5/- each fully paid up)	13,448,288	13,448,288
Weighted No. of Equity Shares	13,448,288	13,448,288
Basic Earnings per Share (in Rupees)	33.02	18.66
Diluted No. of Equity Shares	13,448,288	13,448,288
Diluted Earnings per Share (in Rupees)	33.02	18.66

**39 Segment Reporting**

"The Group is engaged in the manufacture, trading and providing services of Specialty Chemicals, which in the context of INDAS 108- Operating segment specified under section 133 of the Companies Act, 2013 is considered as a single business segment of the Group." Operating segment are reported in a manner consistent with internal report provided to chief operating decision maker. The Board of Directors of the company has been identified as chief operating decision maker which reviews and assesses the financial performance and makes the strategic decision. The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

#### 40 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)

Particulars	As at 31 March 2024							
	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>			4,023.11	4,023.11				-
Cash and cash equivalents (Including other bank balances)								
Investments	8,796.06			8,717.06	8,796.06			8,796.06
- Mutual Funds	346.73			346.73	346.73			346.73
- Equity Shares (Quoted)	3.79						3.79	3.79
- Equity Shares (Unquoted)			50.00	50.00				-
- Preference shares and bonds			12,029.12	12,029.12				-
Trade and other receivables			11.05	11.05				-
Loans			685.83	685.83				-
Other financial assets								-
<b>TOTAL</b>	<b>9,146.58</b>	<b>-</b>	<b>16,799.11</b>	<b>25,862.90</b>	<b>9,063.79</b>	<b>-</b>	<b>3.79</b>	<b>9,146.58</b>
<b>Financial liabilities</b>								
Long term borrowings (Including current maturity of Long term borrowings)			668.30	668.30				-
Short term borrowings			5,967.48	5,967.48				-
Trade and other payables			16.80	16.80				-
Other financial liabilities								-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>6,652.58</b>	<b>6,652.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in Lakhs)

Particulars	As at 31 March 2023							
	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>			3,055.16	3,055.16				-
Cash and cash equivalents (Including other bank balances)								
Investments	6,236.42			6,236.42	6,236.42			6,236.42
- Mutual Funds	269.42			269.42	269.42			269.42
- Equity Shares (Quoted)	3.88			3.88				-
- Equity Shares (Unquoted)			11,519.26	11,519.26			3.88	-
Trade and other receivables			45.64	45.64				-
Loans			969.55	969.55				-
Other financial assets								-
<b>TOTAL</b>	<b>6,509.72</b>	<b>-</b>	<b>15,589.61</b>	<b>22,099.33</b>	<b>6,505.84</b>	<b>-</b>	<b>3.88</b>	<b>6,505.84</b>
<b>Financial liabilities</b>								
Long term borrowings (Including current maturity of Long term borrowings)			652.53	652.53				-
Short term borrowings			5,309.66	5,309.66				-
Trade and other payables			32.46	32.46				-
Other financial liabilities								-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>5,994.65</b>	<b>5,994.65</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 Risk Management 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:

Sr No	As at 31st March, 2024	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Borrowings	23	668.30	668.30	-
2	Trade payables	24	5,417.54	5,417.54	-
3	Other Financials Liability	25	16.80	16.80	-
4	Other Current Liabilities	26	2,013.15	2,013.15	-
	<b>TOTAL</b>		<b>8,115.79</b>	<b>8,115.79</b>	-

Sr No	As at 31st March, 2023	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Borrowings	23	652.53	652.53	-
2	Trade payables	24	5,309.66	5,309.66	-
3	Other Financials Liability	25	32.46	32.46	-
4	Other Current Liabilities	26	1,605.58	1,605.58	-
	<b>TOTAL</b>		<b>7,600.24</b>	<b>7,600.24</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 31/03/2024		As at 31/03/2023	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
USD	Liability	-	-	-	-

- b. Foreign Currency Exposures at the year end not hedged by derivative instruments:

(₹ in Lakhs)

Currency	Exposure to buy/sell	As at 31/03/2024		As at 31/03/2023	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
US Dollars	Liability	1.23	102.97	0.19	15.50
Euro	Liability	0.00	0.00	0.00	0.36
US Dollars	Asset	0.71	59.24	0.15	12.39
Swiss Franc (CHF)	Asset	0.00	0.00	0.03	3.06

**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.



**41 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 Actuarial Valuation are as follows:

(₹ in Lakhs)

		As at 31 March 2024	As at 31 March 2023
		<b>Funded Plan</b>	
(i)	Change in Defined Benefit Obligation		
	Opening defined benefit obligation	857.89	781.94
	Amount recognised in profit and loss		
	Current service cost	99.25	103.60
	Interest cost	64.13	53.52
	Amount recognised in other comprehensive income		
	Actuarial loss / (gain) arising from:		
	Return on Plan Assets		-
	Financial assumptions	31.13	(5.79)
	Experience adjustment	(0.38)	(16.19)
	Other	-	(0.69)
	Benefits paid	(99.50)	(58.52)
	<b>Closing defined benefit obligation</b>	<b>952.52</b>	<b>857.89</b>
(ii)	<b>Change in Fair Value of Assets</b>		
	Opening fair value of plan assets	818.31	714.56
	Amount recognised in profit and loss		
	Interest income	61.17	48.92
	Amount recognised in other comprehensive income		
	Actuarial gain / (loss)		
	Return on Plan Assets, Excluding Interest Income	(6.37)	(5.32)
	Amount not recognised due to Asset limit (P.Y)		-
	Other		-
	Contributions by employer	94.15	119.36
	Benefits paid	(99.50)	(59.20)
	Closing fair value of plan assets	<b>867.76</b>	<b>818.31</b>
	Actual return on Plan Assets	54.80	43.59
(iii)	<b>Plan assets comprise the following</b>		
	Insurance fund (100%)	Unquoted	Unquoted
	"(The Group has this investments in Group Gratuity policy with LIC. The details of further investment by LIC is not available with the group)"	867.76	818.31
(iv)	<b>Principal actuarial assumptions used</b>	%	%
	Discount rate	7.25	7.50
	Withdrawal Rate	1.00	1.00
	Future Salary Increase	5.00	5.00
(v)	<b>Amount recognised in the Balance Sheet</b>	<b>As at 31<sup>st</sup> March, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>
	Present value of obligations as at year end	952.52	858.79
	Fair value of plan assets as at year end	867.76	818.31
	Net (asset) / liability recognised as at year end	<b>84.76</b>	<b>40.48</b>
	Recognised under :		
	Short term provisions	22.54	30.52
	Long term provisions	100.06	83.91
	Other Non Current Assets	(52.88)	(63.45)
	Other Current Assets	(14.31)	(11.41)
		<b>55.40</b>	<b>39.57</b>

**(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 31st March, 2024		As at 31st March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	-5.80%	6.70%	-5.90%	6.80%
Future salary growth (1% movement) - Gratuity	6.80%	6.00%	6.80%	-6.00%

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

(₹ in Lakhs)

The expected maturity analysis is as follows :	For year ended	For year ended
	31.3.2024	31.3.2023
Expected benefits for year 1	118.00	129.12
Expected benefits for year 2	19.47	32.06
Expected benefits for year 3	59.80	18.56
Expected benefits for year 4	56.70	59.17
Expected benefits for year 5	65.25	54.13
Expected benefits for year 6 and above	540.90	465.16

42. Financial information pursuant to Schedule III of Companies Act, 2013

(₹ in Lakhs)

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	
		31st March 2024		31st March 2024		31st March 2024		31st March 2024	
		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.	67.76%	24,491.46	16.30%	723.82	32.76%	(9.36)	16.19%	714.46
	<b>Indian Subsidiaries</b>								
1	Chembond Water Technologies Limited	28.86%	10,431.69	54.69%	2,428.69	54.98%	(15.71)	54.69%	2,412.98
2	Chembond Material Technologies Pvt. Ltd.	6.49%	2,346.23	18.30%	812.91	15.79%	(4.51)	18.32%	808.40
3	Chembond Clean Water Technologies Limited	4.61%	1,665.60	9.01%	399.92	-4.25%	1.21	9.09%	401.14
4	Chembond Biosciences Limited	-1.74%	(629.18)	-5.96%	(264.81)	-0.27%	0.08	-6.00%	(264.73)
5	Chembond Calvatis Industrial Hygiene Systems Limited	0.45%	163.01	-0.44%	(19.74)	-2.13%	0.61	-0.43%	(19.13)
6	Chembond Water Technologies (Malaysia) Sdn Bhd	0.30%	108.08	1.31%	58.17	0.00%	-	1.32%	58.17
7	Chembond Water Technologies (Thailand) Co. Limited	0.00%	(1.65)	-1.04%	(46.30)	0.00%	-	-1.05%	(46.30)
8	Phiroze Sethna Private Limited	2.64%	952.56	10.84%	481.32	0.86%	(0.25)	10.90%	481.07
9	Chembond Distribution Limited	2.96%	1,070.63	5.03%	223.49	-0.54%	0.16	5.07%	223.64
10	Gramos Chemicals India Private Limited	2.67%	964.83	-0.03%	(1.26)	1.84%	(0.53)	-0.04%	(1.79)
11	Chembond Chemical Specialties Limited	0.00%	(0.42)	-0.02%	(0.92)	0.00%	-	-0.02%	(0.92)
	Non Controlling interest in all subsidiaries	-0.36%	(129.90)	0.20%	8.88	0.96%	(0.27)	0.20%	8.61
	<b>Consolidation adjustments/ Eliminations</b>	<b>-14.63%</b>	<b>(5,286.43)</b>	<b>-8.18%</b>	<b>(363.18)</b>	<b>0.00%</b>	<b>-</b>	<b>-8.23%</b>	<b>(363.18)</b>
	<b>Total</b>	<b>100.00%</b>	<b>36,146.53</b>	<b>100.00%</b>	<b>4,440.97</b>	<b>100.00%</b>	<b>-28.57</b>	<b>100.00%</b>	<b>4,412.40</b>

**43 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. B' Durga, Malika S. Shah, Kshitija N. Shah, Raunaq S. Shah, Rahil N. Shah

**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	31.03.2024			31.03.2023		
	Joint Venture	KMP & Entities where KMP are interested	Total	Joint Venture	KMP & Entities where KMP are interested	Total
<b>Sales of Goods</b>	-	139.14	139.14	-	172.02	172.02
Finor Piplaj Chemicals Limited	-	139.14	139.14	-	172.02	172.02
<b>Purchase of Goods</b>	-	2,339.20	2,339.20	-	2,234.30	2,234.30
Finor Piplaj Chemicals Limited	-	2,339.20	2,339.20	-	2,234.30	2,234.30
<b>Purchase in Transit</b>	-	0.11	0.11	-	0.66	0.66
Finor Piplaj Chemicals Limited	-	0.11	0.11	-	0.66	0.66
<b>Sale of Fixed Assets</b>	-	0.72	0.72	-	4.77	4.77
Finor Piplaj Chemicals Limited	-	0.72	0.72	-	4.77	4.77
<b>Rent Income</b>	-	18.00	18.00	-	12.01	12.01
Finor Piplaj Chemicals Limited	-	3.00	3.00	-	3.00	3.00
Oriano Clean Energy Pvt. Ltd.	-	15.00	15.00	-	9.01	9.01
<b>Rental Expenses</b>	-	9.00	9.00	-	14.45	14.45
Finor Piplaj Chemicals Limited	-	9.00	9.00	-	14.45	14.45
<b>Director Remuneration</b>	-	442.38	442.38	-	330.46	330.46
Sameer V. Shah	-	159.77	159.77	-	115.76	115.76
Nirmal V. Shah	-	146.20	146.20	-	101.91	101.91
Rashmi S. Gavli	-	4.17	4.17	-	-	-
Jaywant Tawade	-	16.41	16.41	-	13.20	13.20
Vinod Deshpande	-	115.83	115.83	-	99.59	99.59
<b>Director Sitting Fees</b>	-	21.70	21.70	-	15.68	15.68
Ashwin R. Nagarwadia	-	4.50	4.50	-	3.50	3.50
Mahendra K. Ghelani	-	6.20	6.20	-	4.58	4.58
Sushil U. Lakhani	-	4.50	4.50	-	3.60	3.60
Dr. Prakash V. Trivedi	-	1.90	1.90	-	2.05	2.05
Saraswati Sankar	-	3.10	3.10	-	1.35	1.35
Jaywant Tawade	-	0.60	0.60	-	0.30	0.30
Raj Gupta	-	0.90	0.90	-	0.30	0.30
<b>Professional &amp; Consulting Fees</b>	-	107.70	107.70	-	103.61	95.61
Bhadresh D. Shah	-	35.74	35.74	-	27.78	27.78
Jaywant Tawade	-	18.50	18.50	-	17.16	17.16
Subhash Kolhe	-	53.11	53.11	-	48.28	48.28
Kshitija N. Shah	-	0.35	0.35	-	-	-
CCL Products LLC	-	-	-	-	2.39	2.39
Sharad. K. Wagle	-	-	-	-	4.00	4.00
ASPI. Godrej	-	-	-	-	4.00	4.00
<b>Comission</b>	-	10.35	10.35	-	5.91	5.91
Mahendra K. Ghelani	-	0.60	0.60	-	-	-
Dr. Prakash V. Trivedi	-	0.25	0.25	-	-	-
Sushil U. Lakhani	-	1.00	1.00	-	-	-
Subhash Kolhe	-	8.50	8.50	-	5.91	5.91
<b>Royalty</b>	-	41.51	41.51	-	45.26	45.26
S and N Ventures Pvt Ltd.	-	41.51	41.51	-	45.26	45.26
<b>Sundry Debtors</b>	-	60.79	60.79	-	21.97	21.97
Finor Piplaj Chemicals Limited	-	58.52	58.52	-	18.49	18.49
Oriano Clean Energy Pvt. Ltd.	-	2.27	2.27	-	-	-
CCL Optoelectronics Pvt. Ltd	-	-	-	-	3.48	3.48
<b>Sundry Creditors</b>	-	485.83	485.83	-	469.89	469.89
Finor Piplaj Chemicals Limited	-	479.66	479.66	-	469.63	469.63
Jaywant Tawade	-	1.39	1.39	-	-	-
Subhash Kolhe	-	4.78	4.78	-	0.26	0.26

**44 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 31st March, 2024, 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.

(Refer Note no. 47 for Debt/Equity ratio)

**45 Tax Reconciliation**

(a) The income tax expense consists of the followings:

Particulars

Current Income Tax

Deferred Tax Expense

Short/Excess provision of Tax of earlier year

**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

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

MAT credit entitlement

Short/Excess Provision of Tax of earlier years

Others

**Current Tax (A)**

Part B

Deferred Tax rate

Written Down Value Of Property Plant & Equipment

Unabsorbed IT losses and Depreciation

Investments at Fair Value

Other Deductible Temporary Differences

Gratuity

MAT Credit

Other Deferred tax Asset

Provision for Expected Credit Loss

**Deferred Tax (B)**

**Tax Expense (A+B)**

	FY 2023-2024 ₹ in lakhs	FY 2022-2023 ₹ in lakhs
	1,761.52	1,021.82
	(295.09)	(115.95)
	87.96	(28.46)
	<b>1,554.38</b>	<b>877.41</b>
	6,334.41	3,805.37
	1319.66	978.26
	(20.50)	-
	229.57	(17.19)
	-	-
	106.03	-
	(3.95)	(28.46)
	126.64	38.51
	<b>1757.45</b>	<b>971.12</b>
	29.12%	29.12%
	(32.13)	(25.94)
	-	(1.37)
	103.27	36.24
	2.12	-
	19.36	(3.35)
	31.83	68.13
	4.43	0.02
	220.71	37.84
	<b>(203.08)</b>	<b>(93.70)</b>
	<b>1,554.37</b>	<b>877.41</b>

**46 Contingent Liabilities and Capital 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 matters under Appeal

ii) Income tax Matters (TDS)

iii) Income tax demands pending for rectification

iv) Service tax due as per final audit report and show cause notice\*\*

v) Devendra Feeds India Private Limited has lodged. F.I.R dated

24th June, 2022 with police station Safidon, District Jind, Haryana against Chembond Chemicals Limited, Mr Sameer Shah (Chairman & Managing Director) and 3 other current & ex-employees, with respect to damage caused by inferior quality of Products. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is being currently considered by the Competent Authorities and Courts.

vi) Rajkumar Mor of Mor Hatcheries has lodged. F.I.R dated 4<sup>th</sup> January, 2023 with police station Pillukhera, District Jind, Haryana against Chembond Biosciences Limited and Mr. Sameer Shah (Director), with respect to inferior quality

19.24

5.26

32.39

259.42

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of Products. Chembond Biosciences Limited has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is being currently considered by the Competent Authorities and Courts.

**b) Counter Guarantees given by Company for Bank Guarantees issued -**

i) Corporate Guarantee given to Bank of India by the Company on behalf of Subsidiaries Chembond Water Technologies Ltd. & Chembond Clean Water Technologies Ltd.	2,550.00	2,550.00
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**B) Capital Commitments**

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	166.60	75.31
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\*\* As per the SCN issued for service tax matters, there may be additional liability of interest and penalty, quantum of which is not ascertained.

**52 Audit Trail**

The Ministry of Corporate Affairs (MCA) has issued a notification – Companies (Accounts) Amendment Rules, 2021 which is effective from 1<sup>st</sup> April, 2023. The amendment requires that every company which uses an accounting software for maintaining its books of account shall use an accounting software where there is feature of recording audit trail of each and every transaction and further creating an edit log of each change made to the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Group uses an accounting software for maintaining books of account which has a feature of recording audit trail and edit log facility and that has been operative throughout the financial year for the transactions recorded in the software impacting books of account at the application level. The software being managed on public cloud, users do not have access to enable, disable, deactivate or tamper with the audit trail setting.

The Group also uses software for payroll application and employee reimbursement. In both the software, there is a feature of audit log for recording audit trail and the same cannot be disabled or modified.

The audit trail feature is not enabled at the database level in respect of these softwares.

**53 Events occurring After Balance sheet date**

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and / or reporting of any of these events and transactions in the financial statements. As on May 25<sup>th</sup>, 2024, there are no subsequent events to be recognised or reported.

**54 Accounting Treatment as per IND AS 103 - Business Combination**

On 11th September, 2023, the Mumbai bench of National Company Law Tribunal had approved the composite scheme of amalgamation of Chembond Polymers and Materials Limited with Chembond Material Technologies Private Limited (both wholly owned subsidiaries of the Company). The certified true copy of the order was filed with the Registrar of Companies, Mumbai and stock exchanges and thus the scheme is effective from the said date. The appointed date of merger was 1<sup>st</sup> April, 2022. Accordingly, the consolidated financial Statements for comparative Year ended 31st March, 2023 have been restated considering the accounting treatment prescribed under IND AS 103 – Business Combination."

**55 Composite Scheme of Arrangement**

On 12<sup>th</sup> December, 2023, Chembond Chemicals Limited (CCL) has entered into the composite scheme of arrangement with some of its subsidiaries and step down subsidiaries viz. Chembond Chemical Specialties Limited ("Resulting Company"), Chembond Clean Water Technologies Limited (CCWTL), Chembond Material Technologies Private Limited (CMTPL), Phiroze Sethna Private Limited (PSPL) and Gramos Chemicals India Private Limited (GCIPL) and their respective shareholders and creditors under sections 230-232 read with section 66 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder. Upon the scheme becoming effective, the "Demerged undertaking" viz. the Construction Chemicals and Water Treatment Business of CCL shall be transferred to the Resulting Company, CCWTL shall be amalgamated with the Resulting Company and CMTPL, PSPL and GCIPL shall be amalgamated with CCL from the appointed date of 1<sup>st</sup> April, 2024. The scheme will be accounted for on receipt of regulatory and other approvals which are pending as on the date of approval of these Financial Statements."

**56 Fire Incident**

The Group received claim towards the Inventory damaged in the fire incident that occurred in April 2022 which was fully settled by the insurance company at the value for ₹201.52 lakhs, against ₹267.5 lakhs claimed. The claim against property, plant and equipment is partially settled and is still under review."

**57** 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.

**58** 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

**Jatin A. Thakkar**

Partner  
Membership No. : 134767  
Mumbai, 25<sup>th</sup> May 2024

**Sameer V. Shah**

Chairman  
& Managing Director  
DIN: 00105721

**Rashmi S. Gavli**

Chief Financial Officer  
Mumbai, 25<sup>th</sup> May 2024

**Nirmal V. Shah**

Vice Chairman  
& Managing Director  
DIN: 00083853

**Suchita Singh**

Company Secretary

**Mahendra K. Ghelani**

Director  
DIN: 01108297

## NOTICE

**NOTICE** is hereby given that the Forty Ninth Annual General Meeting (“AGM”) of the Members of Chembond Chemicals Limited (CIN: L24100MH1975PLC018235) will be held on Wednesday, 7<sup>th</sup> August, 2024, at 11.00 a.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, 2024 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, 2024 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, 2024

#### 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. Appointment of Mr. Jayesh Prabhulal Shah (DIN: 00138346) as a Director and an Independent Director

To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as a **Special Resolution**:

**“RESOLVED THAT** Mr. Jayesh Prabhulal Shah (DIN: 00138346), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee as an Additional (Non-executive, Independent) Director of the Company with effect from 25<sup>th</sup> May, 2024 and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (‘the Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company;

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17, 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’), as amended, the appointment of Mr. Jayesh Prabhulal Shah, who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing from 25<sup>th</sup> May, 2024 up to 24<sup>th</sup> May, 2029, be and is hereby approved;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### 5. To approve Material Related Party Transactions of Chembond Chemicals Limited with Finor Piplaj Chemicals Limited

To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 23 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’), as amended from time to time and provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] (‘the Act’) and other applicable laws / statutory provisions, if any, the Company’s Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of

the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to enter into Material Related Party Transaction(s)/ Contract(s)/Arrangement(s)/Agreement(s)/ proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between Chembond Chemicals Limited ("CCL or the Company") and Finor Piplaj Chemicals Limited ('FINOR'), a 'Related Party' of the Company, on such terms and conditions as may be mutually agreed between the Company and FINOR, for an aggregate value not exceeding ₹6 crores (Rupees Six crores only) during the financial year 2024-25, provided that such transaction(s) / contract(s) / arrangement(s) /agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, or any other Officer /Authorized Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution;

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect."

**6. To approve Material Related Party Transactions of Chembond Calvatis Industrial Hygiene Systems Limited (a Joint Venture Company) with Chembond Chemicals Limited**

To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to Regulation 23 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended from time to time, and provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] ("the Act") and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions, subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to enter into Material Related Party Transaction(s)/ Contract(s)/Arrangement(s)/Agreement(s)/ proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between Chembond Calvatis Industrial Hygiene Systems Limited ("CCIHSL"), a joint venture a 'Related Party' and Chembond Chemicals Limited ("CCL or the Company") on such terms and conditions as may be mutually agreed between the Company and CCIHSL, for an aggregate value not exceeding ₹3 crores (Rupees Three crores only) during the financial year 2024-25, provided that such transaction(s) / contract(s) / arrangement(s) /agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) /agreement(s) and other

ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, or any other Officer /Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution;

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect."

**7. To approve Material Related Party Transactions of Chembond Water Technologies Limited (Wholly Owned Subsidiary Company) with Finor Piplaj Chemicals Limited**

To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Regulation 23 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended from time to time and provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] ("the Act") and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions, subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to enter into Material Related Party Transaction(s) / Contract(s) /Arrangement(s) /Agreement(s) / proposed to be entered into (whether by way of an individual transaction or

transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between two Related Parties of the Company, i.e. Chembond Water Technologies Limited ("CWTL") (Wholly Owned Subsidiary) with Finor Piplaj Chemicals Limited ("FINOR"), on such terms and conditions as may be mutually agreed between CWTL and FINOR, for an aggregate value not exceeding ₹35 crores (Rupees Thirty Five crores only) during the financial year 2024-25, provided that such transaction(s)/contract(s)/arrangement(s)/ agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business."

**8. To approve Material Related Party Transactions of Rewasoft Solutions Private Limited (Step-down Associate) with Chembond Chemicals Limited and certain identified Related Parties of the Company**

To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Regulation 23 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended from time to time and provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] ("the Act") and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions, subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to enter into Material Related Party Transaction(s) / Contract(s) / Arrangement(s) /Agreement(s) / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of



transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between Rewasoft Solutions Private Limited ("RSPL") (Associate Company of Chembond Water Technologies Limited) with Chembond Chemicals Limited ("CCL or the Company"), Chembond Water Technologies Limited ("CWTL"), Chembond Clean Water Technologies Limited ("CCWTL"), Chembond Material Technologies Private Limited ("CMTPL"), Chembond Distribution Limited ("CDL") on such terms and conditions as may be mutually agreed between Rewasoft and the Company, CWTL, CCWTL, CMTPL, CDL for an aggregate value not exceeding ₹0.50 crores, ₹1.00 crores, ₹0.25 crores, ₹0.50 crores and ₹0.20 crores respectively during the financial year 2024-25, provided that such transaction(s)/contract(s)/arrangement(s)/agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business."

**9. To approve Material Related Party Transactions of Gramos Chemicals India Private Limited (Step Down Subsidiary) with Chembond Material Technologies Private Limited (Wholly Owned Subsidiary)**

To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Regulation 23 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended from time to time and provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] ("the Act") and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions, subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution)

to enter into Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between Gramos Chemicals India Private Limited ("GCIPL") (Step Down Subsidiary Company) and Chembond Material Technologies Private Limited ("CMTPL"), on such terms and conditions as may be mutually agreed between GCIPL and CMTPL, for an aggregate value not exceeding ₹15 crores (Rupees Fifteen crores only) during the financial year 2024-25, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business."

**10. To approve Material Related Party Transactions of Chembond Clean Water Technologies Limited (Step Down Subsidiary) with Chembond Water Technologies Limited (Wholly Owned Subsidiary)**

To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Regulation 23 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended from time to time and provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] ("the Act") and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions, subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to enter into Material Related Party Transaction(s) / Contract(s) / Arrangement(s)

/Agreement(s) / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between Chembond Clean Water Technologies Limited ("CCWTL") (Step Down Subsidiary) and Chembond Water Technologies Limited ("CWTL"), on such terms and conditions as may be mutually agreed between CCWTL and CWTL, for an aggregate value not exceeding ₹40 crores (Rupees Forty crores only) during the financial year 2024-25, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business."

**11. To approve Material Related Party Transactions of Chembond Water Technologies (Thailand) Co. Ltd. (Step Down Subsidiary) with Chembond Water Technologies Limited (Wholly Owned Subsidiary)**

To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Regulation 23 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended from time to time and provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] ("the Act") and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions, subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to enter into Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) / proposed to be entered into (whether by way of

an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between the Chembond Water Technologies (Thailand) Co. Ltd ("CWTL Thailand") (Step Down Subsidiary) and Chembond Water Technologies Limited ("CWTL"), on such terms and conditions as may be mutually agreed between CWTL Thailand and CWTL, for an aggregate value not exceeding ₹5 Crore (Rupees Five crores only) during the financial year 2024-25, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business."

**12. To approve Material Related Party Transactions of Chembond Water Technologies (Malaysia) Sdn. Bhd. (Step Down Subsidiary) with Chembond Water Technologies Limited (Wholly Owned Subsidiary)**

To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Regulation 23 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended from time to time and provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] ("the Act") and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to enter into Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) / proposed to be entered into (whether by way of

an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between Chembond Water Technologies Malaysia Sdn. Bhd. ("CWTL Malaysia") (Step Down Subsidiary) and Chembond Water Technologies Limited ("CWTL"), on such terms and conditions as may be mutually agreed between CWTL Malaysia and CWTL, for an aggregate value not exceeding ₹5 crores (Rupees Five crores only) during the financial year 2024-25, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business."

### 13. To approve remuneration to Cost Auditor

To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as an

Mumbai  
25<sup>th</sup> May, 2024

#### REGISTERED OFFICE:

Chembond Centre,  
EL-71, Mahape MIDC,  
Navi Mumbai - 400 710  
Maharashtra, India.  
Tel: +91 22 6264 3000  
Fax: +91 22 2768 1294  
E-mail: [cs@chembondindia.com](mailto:cs@chembondindia.com)  
Website: [www.chembondindia.com](http://www.chembondindia.com)  
CIN: L24100MH1975PLC018235

#### Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 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) ("the Act"), M/s. Aatish Dhatrak and Associates, Cost & Management Accountants, Mumbai, (FRN: 101575), appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the FY ending 31<sup>st</sup> March, 2025, be paid a remuneration of ₹80,500 (Rupees Eighty Thousand Five hundred only), plus Goods and Services Tax and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit."

By Order of the Board of Directors  
of **Chembond Chemicals Limited**

sd/-  
**Suchita Singh**  
Company Secretary

**NOTES:**

1. 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, 5<sup>th</sup> May, 2022, 28<sup>th</sup> December, 2022 and 25<sup>th</sup> September, 2023 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (SEBI), vide its circulars dated 12<sup>th</sup> May, 2020, 15<sup>th</sup> January, 2021, 5<sup>th</sup> January, 2023 and 7<sup>th</sup> October, 2023 (“SEBI Circulars”) permitted to hold 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 49<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 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 item Nos. 4 to 13 of the Notice, is annexed hereto.
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 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 by e-mail: 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 terms of Section 152 of the Act, Mr. Nirmal V. Shah (DIN: 00083853), Director, retires by rotation at the AGM and being eligible, offers himself for re-appointment. As per explanation to Section 152(6)(e) of the Act, total number of Directors for the purpose of determining Directors liable to retire by rotation shall not include Independent Directors, whether appointed under the Act or any other law for the time being in force. Information of Director proposed to be re-appointed at the AGM as required by Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings is annexed to the Report on Corporate Governance. The Director has furnished the requisite declarations for his re-appointment, as applicable.
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 49<sup>th</sup> AGM.
9. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, 23<sup>rd</sup> July, 2024 to Tuesday, 30<sup>th</sup> July, 2024 (both days inclusive) in connection with the AGM.

10. The Board of Directors has recommended a Final Dividend of ₹3.50/- per equity share of ₹5/- each (70%) for the financial year ended 31<sup>st</sup> March, 2024 subject to approval of the Members 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, 22<sup>nd</sup> July, 2024, being the record date as per the list to be furnished by NSDL and Central Depository Services (India) Limited (CDSL) will be paid the Final Dividend for the financial year ended 31<sup>st</sup> March, 2024, as recommended by the Board, if approved at the AGM, on or after Monday, 12<sup>th</sup> August, 2024.
- 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) Link Intime India Private Limited (LIPL), C-101, 1<sup>st</sup> floor, Embassy 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 – LIPL, at their Registered Address or e-mail at [csq-unit@tcplindia.co.in](mailto:csq-unit@tcplindia.co.in) 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 into the RTA of the Company. Members holding shares in electronic mode may contact their respective DPs for availing this facility.

- d. As per Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3<sup>rd</sup> November, 2021, and clarification vide Circular No. SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2021/687 dated 14<sup>th</sup> December, 2021 issued by SEBI, on Common and Simplified Norms for processing Investor's Service Request by RTAs. SEBI has mandated the furnishing of PAN, Address with PIN code, E-mail address, Mobile No., Bank Account details, Specimen Signature & Nomination by holders of physical securities and that from 1<sup>st</sup> January, 2022, RTA shall not process any service requests or complaints received from the holder(s)/claimant(s), till PAN, KYC and Nomination documents/details etc. are received. The Company has sent reminders to the physical holders whose mandatory details are yet to be updated.
- 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 <https://www.chembondindia.com/all-policies/>. 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 may note that shares as well as unclaimed dividends transferred to IEPF

Authority can be claimed 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 uncashed 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. Annual Report 2023-24 is being sent 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 2023-24 can also be accessed from websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited 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 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 e-mail ids registered with their DPs 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 LIPL 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 ids 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. 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 - LIPL (for shares held in Physical form) to receive the dividend into their account.
16. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to LIPL, RTA of the Company or by sending a request on e-mail at [cs@chembondindia.com](mailto:cs@chembondindia.com) or contact LIPL 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 dispatch the dividend warrant to such shareholder by post.
17. 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 Deduced 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 Monday, 22<sup>nd</sup> July, 2024.

The rate of 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	Exemption category / required documentation
10 per cent*	Resident shareholder (with valid Permanent Account Number 'PAN')	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 – Link Intime India Private Limited (in case of shares held in physical mode).
20 per cent*	Resident shareholder (without / invalid PAN/ inoperative PAN / or specified person as per section 206AB of the IT Act)	
Lower/Nil rate	Resident shareholder who has obtained a certificate from the income-tax authorities under Section 197 of the IT 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 the FY 2024-25.
Nil	Resident individual submitting Form 15G/15H	Declaration in Form 15G (applicable to an individual who is less than 60 years of age) /Form 15H (applicable to an Individual who is 60 years and older), fulfilling certain conditions.
Nil	Insurance Company: Public & Other insurance Companies	Documentary evidence that the provisions of Section 194 of the IT Act are not applicable.
Nil	Person Covered under Section 196 of the IT Act (e.g. Mutual Funds, Business Trust, Alternative Investment fund, Govt. etc.)	Documentary evidence that the person is covered under said Section 196 of the IT Act.

**Note:**

- 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.
- \*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 (l) 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 of the IT Act. Therefore, we request you to please give a written declaration along with copies of ITR acknowledgements of previous one assessment year for our records. If the said declaration along with ITR acknowledgements are not received before Monday, 22<sup>nd</sup> July, 2024, 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	Exemption category / required documentation
20 per cent (plus applicable surcharge and cess)	All non-resident shareholders, including Foreign Portfolio Investors ('FPIs/FILs')	<p>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>• Copy of Indian <b>Tax Identification number (PAN)</b>, if available</li> <li>• Self-attested copy of Tax Residency Certificate (TRC) applicable for the FY 2024-25 obtained from the tax authorities of the country of which the shareholder is resident</li> <li>• Self-declaration in Form 10F if PAN is not available</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 letter - head]</li> </ul> <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p> <p>Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Act.</p>
Lower / Nil rate	Non-resident shareholder who has obtained a certificate from the income-tax authorities under section 197/195 of the IT Act.	Lower / Nil rate of TDS, subject to furnishing a self-attested copy of the certificate. The certificate should be valid for the FY 2024-25.

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 documents 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 **Monday, 22<sup>nd</sup> July, 2024**.

Kindly note that the aforementioned documents are required to be submitted at [cs@chembondindia.com](mailto:cs@chembondindia.com) on or before **Monday, 22<sup>nd</sup> July, 2024** 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.

18. The Company vide its separate e-mail communication dated Friday, 5<sup>th</sup> July, 2024 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).

19. 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.

20. 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.



21. 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/unclaimed-dividend/>. 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 DPs in case the shares are held by them in electronic form and to LIPL in case the shares are held in physical form, quoting your folio no.
22. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or LIPL, 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.
23. 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 Friday, 26<sup>th</sup> July, 2024 through e-mail on [cs@chembondindia.com](mailto:cs@chembondindia.com). The same will be replied by the Company suitably.
24. The instructions for remote e-voting are given as follows:

**PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS (E-VOTING):**

1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and 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, the Company has

entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

The remote e-voting period begins on Sunday, 4<sup>th</sup> August, 2024 at 09:00 A.M. and ends on Tuesday, 6<sup>th</sup> August, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 31<sup>st</sup> July, 2024 may cast their vote electronically.

The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 31<sup>st</sup> July, 2024.

Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.

**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**

**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, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>1. 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 <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> 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 <b>"Access to e-voting"</b> 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.</p> <p>2. 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 <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. 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 <b>"Login"</b> 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.</p> <p>4. Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>  <b>Google Play</b></p>  

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on <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 able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>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 &amp; voting during the meeting.</p>

**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 022 - 4886 7000
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 contact at toll free no. 1800 22 55 33

**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?**

1. 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.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. 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 For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) 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 email 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'.
  - (ii) 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:

- a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](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?**

1. 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.
2. 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 Meeting".
3. Now you are ready for e-voting as the voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with

attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [bhattivirendra1945@yahoo.co.in](mailto:bhattivirendra1945@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. 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.: **022 - 4886 7000** and **022 - 2499 7000** or send a request to Mr. Sanjeev Yadav, Assistant Manager-NSDL at [sanjeevy@nsdl.co.in](mailto:sanjeevy@nsdl.co.in) or at [evoting@nsdl.co.in](mailto:evoting@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:**

1. 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 email to [cs@chembondindia.com](mailto:cs@chembondindia.com).
2. 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 shareholder holding securities in demat mode.**
3. 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.
4. 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:-**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. 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.
3. 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.
4. 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:**

1. 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" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under **Join 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.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. 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, email 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 on or before Monday, 29<sup>th</sup> July, 2024, 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 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 10 days before the date of the 49<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 votes cast 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, who 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) and Service Provider's website at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) the communication will

be sent to the BSE Limited and National Stock Exchange of India Limited.

**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**

The Board of Directors of the Company at their meeting held on 25<sup>th</sup> May, 2024, on the recommendations of the Nomination and Remuneration Committee, approved the appointment of Mr. Jayesh Prabhulal Shah (DIN: 00138346) as an Additional Director, designated as an Independent Director (Non-executive) of the Company, with effect from 25<sup>th</sup> May, 2024 in accordance with the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company to hold office for a period of five consecutive years i.e. upto 24<sup>th</sup> May, 2029, not liable to retire by rotation, subject to the approval of the Shareholders of the Company through Special Resolution.

Pursuant to the provisions of Section 161(1) of the Act, Regulation 17(1C) of the Listing Regulations read with Articles of Association of the Company, Mr. Shah holds office only upto the date of the next Annual General Meeting or for a period of three months from the date of appointment, whichever is earlier.

The Company has received all statutory declarations/ disclosures from Mr. Jayesh Prabhulal Shah including the following:

- i. consent to act as a Director in Form DIR-2 pursuant to Section 152 of the Act read with Companies (Appointment and Qualifications of Directors) Rules, 2014;
- ii. confirmation that he meets the criteria of independence as provided under Section 149(6) read with Schedule IV on the Code of Independent Directors of the Act and Regulation 16(1)(b) of the Listing Regulations;
- iii. confirmation that he is not disqualified from being appointed as a Director in Form DIR – 8 pursuant to Section 164 of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014;
- iv. confirmation in terms of Regulation 25(8) of the Listing Regulations that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could

impair or impact his ability to discharge his duties;

- v. confirmation that he is registered in the Independent Director's databank for lifetime in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014; and
- vi. declaration that he has not been debarred from holding the office of Director by virtue of any order passed by the Securities and Exchange Board of India or any such authority.

In the opinion of the Nomination and Remuneration Committee and Board of Directors, Mr. Shah fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Shah is independent of the management and possesses appropriate skills, experience, knowledge and capabilities, required for the role of Independent Director. Mr. Shah's vast experience in the field and indepth knowledge of Direct and Indirect tax laws, Financial Accounting and Auditing practices and Financial management and planning will immensely benefit the Company. He also possesses skills in strategic planning, corporate governance, etc. In view of the above, the appointment of Mr. Shah as an Independent Director is in the interest of the Company.

As an Additional Director, Mr. Shah holds office upto the date of the next Annual General Meeting of the Company or for a period of three months from the date of appointment by the Board of Directors, whichever is earlier and is eligible for being appointed as an Independent Director of the Company, subject to the approval of the Shareholders. The Company has received a notice in writing from a Member under Section 160 of the Act proposing the candidature of Mr. Shah for the office of Independent Director of the Company.

Accordingly, it is proposed to seek approval of Shareholders of the Company by way of a Special Resolution for appointment of Mr. Shah as an Independent Director on the Board of Directors of the Company to hold office for a period of five consecutive years from 25<sup>th</sup> May, 2024 to 24<sup>th</sup> May, 2029, not liable to retire by rotation. The Board of Directors of the Company recommends the Special Resolution as set out in Resolution No.4 of this notice for the approval of the Members.

Details of Mr. Jayesh Prabhulal Shah pursuant to the provisions of (i) Listing Regulations; and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, are provided in Corporate Governance Section of this Report. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other meetings as may be decided by the Board of Directors, reimbursement of expenses for participating in the

Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

A copy of the draft letter of appointment of Mr. Shah setting out the terms and conditions of appointment has been uploaded on the website of the Company at [www.chembondindia.com](http://www.chembondindia.com).

Other than Mr. Shah, to whom the resolution relates and his relatives, none of the Directors, Key Managerial Personnel, or their relatives are in any way, concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the proposed Special Resolution as set out in Resolution No. 4 of this notice.

The Board of Directors commends the Special Resolution set out at Item No. 4 of this Notice for approval by the members.

#### **ITEM NOS. 5 to 12**

The Audit Committee and Board of Directors at their meeting held on 25<sup>th</sup> May, 2024 have given their consent to enter into transaction with related party in terms of Section 2(76) of the Act. Pursuant to Regulation 23 of the Listing Regulations and Section 188 of the Act and Rules framed thereunder, all Related Party Transactions ("RPT") that exceeds limits shall require prior approval of the shareholders by means of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis. A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, is 10% or more of the turnover of the Company or 10% or more of the net worth of the Company as per the last audited financial statements of the Company, as the case may be.

In view of the afore mentioned regulatory changes the Resolutions at item Nos. 5 to 12 are placed for approval by the Members.

The Management has provided the Audit Committee with relevant details of the proposed RPTs, including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted its approval for entering into the below mentioned RPTs. The Audit Committee has noted that the said transaction(s) will be at an arm's length pricing basis and will be in the ordinary course of business.

**ITEM NO. 5**

Details of the proposed RPTs between Chembond Chemicals Limited (CCL or the Company) and Finor Piplaj Chemicals Limited (FINOR), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November, 2021, are as follows:

Sr. No.	Description	Details of proposed RPTs between CCL and FINOR
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs	
a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	FINOR is a Company having common Directors and entire share capital of the Company is held by the Directors and their relatives. FINOR is a specialty chemical manufacturing company. FINOR pioneered the production of slimicides for the Indian paper industry and offers an even wider range of paper chemicals to the industry. FINOR also manufactures biocides, defoamers, dispersants and water soluble polymers catering to a wide array of industries like paints, inks and coatings, construction chemicals, water treatment chemicals and the textile industry. FINOR is a related party as on the date of this notice
b.	Type, material terms, monetary value and particulars of the proposed RPTs	CCL and FINOR have entered into / propose to enter into the following RPTs during FY 2024-25, for an aggregate value not exceeding ₹6 crore: <ul style="list-style-type: none"> <li>• Purchase of goods/ Sale of Finished Goods</li> <li>• Sale of Fixed Asset</li> <li>• Rent</li> <li>• Reimbursement of expenses</li> </ul>
c.	Percentage of the Company's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs	11.41%
2.	Justification for the proposed RPTs	The operational transactions which mainly consists of purchase and sale of goods etc. will support the business of both the companies in cost synergy by leveraging on the expertise / technical manpower / manufacturing facilities of each other and resulting in sustainability in the long run.
3.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary	
a.	Details of the source of funds in connection with the proposed transaction	Not Applicable
b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> <li>• Nature of indebtedness</li> <li>• Cost of funds and</li> <li>• Tenure</li> </ul>	Not Applicable
c.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable
d.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable
4.	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	The pricing mechanism followed for recurring transactions is based on past practices adopting Arm's Length Principle. In the case of other RPTs, the pricing mechanism would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/or services. In the case of reimbursements / recoveries, basis would be actual cost incurred.
5.	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship	Mr. Sameer V. Shah, Chairman and Managing Director, Mr. Nirmal V. Shah, Vice Chairman and Managing Director and Mr. Ashwin R. Nagarwadia – Non-executive Director of the Company are Directors on the Board of FINOR. Their interest or concern or that of their relatives, is limited only to the extent of their holding directorship / KMP position and their shareholding in the Company and FINOR.
6.	Any other information that may be relevant	All relevant information are mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.



Other than Mr. Nirmal V. Shah, Mr. Sameer V. Shah and Mr. Ashwin R. Nagarwadia and/or their relatives, none of the other Directors and Key Managerial Personnel and/or their relatives are concerned or interested in the said Resolution.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 5 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 5 of the Notice, whether the entity is a Related Party to the particular transaction or not.

**ITEM NO. 6**

Details of the proposed RPTs between Chembond Calvatis Industrial Hygiene Systems Limited (CCIHSL) and Chembond Chemicals Limited (CCL or the Company), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November, 2021, are as follows:

Sr. No.	Description	Details of proposed RPTs between CCIHSL and CCL
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs	
a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	CCIHSL is a Joint Venture between the Company and Calvatis GmbH., which offers industrial hygiene and cleaning products and solutions to the Food Processing, Beverages (Alcoholic and Non-Alcoholic) and Dairy markets in India. The JV operates under the name CCIHSL, as an independent entity. CCIHSL is a related party as on the date of this notice.
b.	Type, material terms, monetary value and particulars of the proposed RPTs	CCL and CCIHSL have entered into / propose to enter into the following RPTs during FY 2024-25, for an aggregate value not exceeding ₹3 crore: <ul style="list-style-type: none"> <li>• Purchase of goods/ Sale of Finished Goods</li> <li>• Reimbursement of expenses</li> </ul>
c.	Percentage of the Company's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs	145.63%
2.	Justification for the proposed RPTs	This is a strategic alliance set up by the Company and the operational transactions mainly consists of sale of goods / services, etc. to support the business of both the companies and cost synergy by leveraging on the expertise / technical manpower / manufacturing facilities of each other and resulting in sustainability in the long run.
3.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary	
a.	Details of the source of funds in connection with the proposed transaction	Not Applicable
b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> <li>• Nature of indebtedness</li> <li>• Cost of funds and</li> <li>• Tenure</li> </ul>	Not Applicable
c.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable
d.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable
4.	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	The pricing mechanism followed for recurring transactions is based on past practices adopting Arm's Length Principle. In the case of other RPTs, the pricing mechanism would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/or services. In the case of reimbursements / recoveries, basis would be actual cost incurred.
5.	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship	Mr. Sameer V. Shah, Chairman and Managing Director and Mr. Nirmal V. Shah, Vice Chairman and Managing Director of the Company are also Directors on the Board of CCIHSL. Their interest or concern or that of their relatives, is limited only to the extent of their holding directorship / KMP position and their shareholding in the Company and CCIHSL.
6.	Any other information that may be relevant	All relevant information are mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.

None of the other Directors, Key Managerial Personnel and/or their relatives are concerned or interested, in the said Resolution.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 6 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 6 of the Notice, whether the entity is a Related Party to the particular transaction or not.

## ITEM NO. 7

Details of the proposed RPTs between Chembond Water Technologies Limited (CWTL) and Finor Piplaj Chemicals Limited (FINOR), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November, 2021, are as follows:

Sr. No.	Description	Details of proposed RPTs between CWTL and FINOR
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs	
a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	CWTL is Wholly Owned Subsidiary (WOS) of the Company and offers the entire range of water treatment chemicals namely boiler water treatment chemicals, membrane treatment chemicals, raw water and effluent treatment polymers and defoamers. CWTL is a Related Party of the Company, as on the date of this Notice. FINOR is a Company having common Directors and entire share capital of the Company is held by the Directors and their relatives. FINOR is a specialty chemical manufacturing Company. FINOR pioneered the production of slimicides for the Indian paper industry and offers an even wider range of paper chemicals to the industry. Finor also manufactures biocides, defoamers, dispersants and water soluble polymers catering to a wide array of industries like paints, inks and coatings, construction chemicals, water treatment chemicals and the textile industry. CWTL and FINOR are related parties of the Company, as on the date of this Notice
b.	Type, material terms, monetary value and particulars of the proposed RPTs	CWTL and FINOR have entered into / propose to enter into the following RPTs during FY 2024-25, for an aggregate value not exceeding ₹35 crore: <ul style="list-style-type: none"> <li>• Purchase of goods/ Sale of Finished Goods</li> <li>• Rent expenses</li> <li>• Reimbursement of expenses</li> </ul>
c.	Percentage of the Company's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs	15.89%
2.	Justification for the proposed RPTs	The operational transactions which mainly consists of sale of goods / services, etc. will support the business of both the companies in cost synergy by leveraging on the expertise / technical manpower / manufacturing facilities of each other and resulting in sustainability in the long run.
3.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary	
a.	Details of the source of funds in connection with the proposed transaction	Not Applicable
b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> <li>• Nature of indebtedness</li> <li>• Cost of funds and</li> <li>• Tenure</li> </ul>	Not Applicable
c.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable
d.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable
4.	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	The pricing mechanism followed for recurring transactions is based on past practices adopting Arm's Length Principle. In case of other RPTs, the pricing mechanism would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/or services. In the case of reimbursements / recoveries, same would be basis actual cost incurred.

5.	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship	<p>Mr. Sameer V. Shah, Chairman and Managing Director, Mr. Nirmal V. Shah, Vice Chairman and Managing Director, Mr. Mahendra K. Ghelani – Independent Director and Mr. Sushil U. Lakhani – Independent Director are Directors on the Board of CWTL.</p> <p>Mr. Sameer V. Shah, Chairman and Managing Director, Mr. Nirmal V. Shah, Vice Chairman and Managing Director and Mr. Ashwin Nagarwadia - Non executive Director are on the Board of FINOR. Their interest or concern or that of their relatives, is limited only to the extent of their holding directorship / KMP position and their shareholding in CWTL and FINOR.</p>
6.	Any other information that may be relevant	All relevant information are mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.

None of the other Directors, Key Managerial Personnels of the Company and/or their relatives are concerned or interested, in the said Resolution.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 7 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 7 of the Notice, whether the entity is a Related Party to the particular transaction or not.

**ITEM NO. 8**

Details of the proposed RPTs between Rewasoft Solutions Private Limited (RSPL) and Chembond Chemicals Limited (CCL or the Company), Chembond Water Technologies Limited (CWTL), Chembond Clean Water Technologies Limited (CCWTL), Chembond Material Technologies Private Limited (CMTPL), Chembond Distribution Limited (CDL) including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November, 2021, are as follows:

Sr. No.	Description	Details of proposed RPTs between RSPL and CCL, CWTL, CCWTL, CMTPL, CDL				
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs					
a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	<p>RSPL incorporated on 6<sup>th</sup> July, 2022, is an Associate Company of CWTL Wholly Owned Subsidiary (WOS), of CCL and undertakes the business of designing, development, customization, implementation, maintenance, testing and dealing in customer software, hardware and solutions in the areas of process controls &amp; automation and providing data analytics solutions in relation to processing of information and interpretation, application and use of processed data.</p> <p>CCL was incorporated on 22<sup>nd</sup> March, 1975 and manufactures a diverse range of specialty chemicals.</p> <p>CWTL WOS, offers entire range of water treatment chemicals namely boiler water treatment chemicals, membrane treatment chemicals, raw water and effluent treatment polymers and defoamers.</p> <p>CCWTL WOS of CWTL and step down subsidiary (SDS) of CCL, provides water treatment systems / equipment and in microbial remediation of high COD industrial waste water.</p> <p>CMTPL WOS of CCL offers solutions to industrial customers in the areas of surface treatment, bonding &amp; sealing, &amp; coatings. CMTPL manufactures and supplies Metal Treatment Chemicals, Automotive Sealants, Engineering Adhesives.</p> <p>CDL WOS of CCL is engaged in distributing all types of chemicals, chemical mixtures, additives, adhesives, waterproofing compound.</p> <p>RSPL, CWTL, CCWTL, CMTPL and CDL are related parties of the Company, as on the date of this Notice</p>				
b.	Type, material terms, monetary value and particulars of the proposed RPTs.	<p>RSPL and CCL have entered into / propose to enter into the following RPTs during FY 2024-25, for an aggregate value not exceeding ₹0.50 crore:</p> <ul style="list-style-type: none"> <li>•Availing / rendering of services</li> <li>•Purchase of goods / Sale of goods</li> <li>•Reimbursement of expense</li> </ul>	<p>RSPL and CWTL have entered into / propose to enter into the following RPTs during FY 2024-25, for an aggregate value not exceeding ₹1 crore:</p> <ul style="list-style-type: none"> <li>•Availing / rendering of services</li> <li>•Purchase of goods / Sale of goods</li> <li>•Reimbursement of expense</li> </ul>	<p>RSPL and CCWTL have entered into / propose to enter into the following RPTs during FY 2024-25, for an aggregate value not exceeding ₹0.25 crore:</p> <ul style="list-style-type: none"> <li>•Availing / rendering of services</li> <li>•Purchase of goods / Sale of goods</li> <li>•Reimbursement of expense</li> </ul>	<p>RSPL and CMTPL have entered into / propose to enter into the following RPTs during FY 2024-25, for an aggregate value not exceeding ₹0.50 crore:</p> <ul style="list-style-type: none"> <li>•Availing / rendering of services</li> <li>•Purchase of goods / Sale of goods</li> <li>•Reimbursement of expense</li> </ul>	<p>RSPL and CDL have entered into / propose to enter into the following RPTs during FY 2024-25, for an aggregate value not exceeding ₹0.20 crore:</p> <ul style="list-style-type: none"> <li>•Availing / rendering of services</li> <li>•Purchase of goods / Sale of goods</li> <li>•Reimbursement of expense</li> </ul>

c.	Percentage of the Company's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	RSPL and CCL 96.15%	RSPL and CWTL 192.31%	RSPL and CCWTL 48.08%	RSPL and CMTPL 96.15%	RSPL and CDL 38.46%
2.	Justification for the proposed RPTs	The operational transactions which mainly consists of sale and purchase of goods / availing or rendering of services, etc. will support the business of the companies entering into transaction in cost synergy by leveraging on the expertise / technical manpower / manufacturing facilities of each other and resulting in sustainability in the long run.				
3.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary					
a.	Details of the source of funds in connection with the proposed transaction.	Not Applicable				
b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> <li>Nature of indebtedness,</li> <li>Cost of funds and</li> <li>Tenure.</li> </ul>	Not Applicable				
c.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	Not Applicable				
d.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable				
4.	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.	The pricing mechanism followed for recurring transactions is based on past practices adopting Arm's Length Principle. In case of other RPTs, the pricing mechanism would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/or services. In case of reimbursements / recoveries, same would be basis actual cost incurred.				
5.	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship.	<p>Mr. Nirmal V. Shah, Vice Chairman and Managing Director, is a Director in RSPL</p> <p>Mr. Sameer V. Shah, Chairman and Managing Director, Mr. Nirmal V. Shah, Vice Chairman and Managing Director, Mr. Mahendra K. Ghelani – Independent Director and Mr. Sushil U. Lakhani – Independent Director are Directors in CWTL.</p> <p>Mr. Nirmal V. Shah, Vice Chairman and Managing Director, Mr. Mahendra K. Ghelani – Independent Director and Mr. Sushil U. Lakhani – Independent Director are Directors in CCWTL.</p> <p>Mr. Sameer V. Shah, Chairman and Managing Director, Mr. Nirmal V. Shah, Vice Chairman and Managing Director and Mr. Mahendra K. Ghelani – Independent Director are Directors on the Board of CMTPL.</p> <p>Mr. Sameer V. Shah, Chairman and Managing Director and Mr. Nirmal V. Shah, Vice Chairman and Managing Director are Directors in CDL.</p> <p>Their interest or concern or that of their relatives, is limited only to the extent of their holding directorship / KMP position and their shareholding in the above Companies.</p>				
6.	Any other information that may be relevant.	All relevant information are mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.				

None of the other Directors, Key Managerial Personnels of the Company and/or their relatives are, concerned or interested, in the said Resolution.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 8 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 8 of the Notice, whether the entity is a Related Party to the particular transaction or not.

**ITEM NO. 9**

Details of the proposed RPTs between Gramos Chemical India Private Limited (GCIPL) and Chembond Material Technologies Private Limited (CMTPL), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November, 2021, are as follows:

Sr. No.	Description	Details of proposed RPTs between GCIPL and CMTPL
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs	
a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	GCIPL WOS of Phiroze Sethna Private Limited and SDS of the Company, manufactures tacky wipes and other products used in paint shops in the automotive industry. CMTPL WOS, offers solutions to industrial customers in the areas of surface treatment, bonding & sealing, & coatings. CMTPL manufactures and supplies Metal Treatment Chemicals, Automotive Sealants, Engineering Adhesives. GCIPL and CMTPL are related parties of the Company, as on the date of this Notice.
b.	Type, material terms, monetary value and particulars of the proposed RPTs.	GCIPL and CMTPL have entered into / propose to enter into the following RPTs during FY 2024-25, for an aggregate value not exceeding ₹15 crore: <ul style="list-style-type: none"> <li>• Purchase of goods/ Sale of Finished Goods.</li> <li>• Availing or rendering of Services</li> <li>• Rent</li> <li>• Sale/Purchase of Fixed Asset</li> <li>• Reimbursement of expense</li> </ul>
c.	Percentage of the Company's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	128.09%
2.	Justification for the proposed RPTs	The operational transactions which mainly consists of sale or purchase of goods / availing or rendering of services, etc. will support the business of both the companies in cost synergy by leveraging on the expertise / technical manpower / manufacturing facilities of each other and resulting in sustainability in the long run.
3.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary	
a.	Details of the source of funds in connection with the proposed transaction.	Not Applicable
b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> <li>• Nature of indebtedness,</li> <li>• Cost of funds and</li> <li>• Tenure.</li> </ul>	Not Applicable
c.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	Not Applicable
d.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable
4.	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered e-mail address of the shareholder.	The pricing mechanism followed for recurring transactions is based on past practices adopting Arm's Length Principle. In case of other RPTs, the pricing mechanism would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/or services. In the case of reimbursements / recoveries, same would be basis actual cost incurred.
5.	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship.	Mr. Sameer V. Shah, Chairman and Managing Director, Mr. Nirmal V. Shah, Vice Chairman and Managing Director and Mrs. Rashmi Gavli – Chief Financial Officer are on Board of GCIPL.  Mr. Sameer V. Shah, Chairman and Managing Director and Mr. Nirmal V. Shah, Vice – Chairman and Managing Director and Mr. Mahendra K Ghelani – Independent Director are on the Board of CMTPL. Their interest or concern or that of their relatives, is limited only to the extent of their holding directorship / KMP position and their shareholding in the GCIPL and CMTPL.

6.	Any other information that may be relevant.	All relevant information are mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.
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None of the other Directors, Key Managerial Personnels of the Company and/or their relatives are concerned or interested, in the said Resolution.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 9 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 9 of the Notice, whether the entity is a Related Party to the particular transaction or not.

## ITEM NO. 10

Details of the proposed RPTs between Chembond Clean Water Technologies Limited (CCWTL) and Chembond Water Technologies Limited (CWTL), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November, 2021, are as follows:

Sr. No.	Description	Details of proposed RPTs between CCWTL and CWTL
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs	
a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	CCWTL is Wholly Owned Subsidiary of CWTL and SDS of the Company, provides water treatment systems / equipment and in microbial remediation of high COD industrial waste water. CWTL WOS, offers the entire range of water treatment chemicals namely boiler water treatment chemicals, membrane treatment chemicals, raw water and effluent treatment polymers and defoamers. CCWTL and CWTL are related parties of the Company, as on the date of this notice.
b.	Type, material terms, monetary value and particulars of the proposed RPTs.	CCWTL and CWTL have entered into / propose to enter into the following RPTs during FY 2024-25, for an aggregate value not exceeding ₹40 crore: <ul style="list-style-type: none"> <li>• Purchase of goods/ Sale of Finished Goods.</li> <li>• Rent</li> <li>• Reimbursement of expense</li> </ul>
c.	Percentage of the Company's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	128.49%
2.	Justification for the proposed RPTs	The operational transactions which mainly consists of sale or purchase of goods etc. will support the business of both the companies in cost synergy by leveraging on the expertise / technical manpower / manufacturing facilities of each other and resulting in sustainability in the long run.
3.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary	
a.	Details of the source of funds in connection with the proposed transaction.	Not Applicable
b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> <li>• Nature of indebtedness,</li> <li>• Cost of funds and</li> <li>• Tenure.</li> </ul>	Not Applicable
b.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	Not Applicable
c.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable
d.	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered e-mail address of the shareholder.	The pricing mechanism followed for recurring transactions is based on past practices adopting Arm's Length Principle. In case of other RPTs, the pricing mechanism would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/or services. In the case of reimbursements / recoveries, same would be basis actual cost incurred.

Sr. No.	Description	Details of proposed RPTs between CCWTL and CWTL
4.	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship.	Mr. Nirmal V. Shah, Vice Chairman and Managing Director, Mr. Mahendra K Ghelani – Independent Director and Mr. Sushil U. Lakhani – Independent Director, are Directors on the Board of CCWTL. Mr. Sameer V. Shah, Chairman and Managing Director, Mr. Nirmal V. Shah, Vice - Chairman and Managing Director, Mr. Mahendra K Ghelani – Independent Director and Mr. Sushil U. Lakhani – Independent Director are on the Board of CWTL. Their interest or concern or that of their relatives, is limited only to the extent of their holding directorship / KMP position and their shareholding in CCWTL and CWTL.
5.	Any other information that may be relevant.	All relevant information are mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.

None of the other Directors, Key Managerial Personnels of the Company and/or their relatives are, concerned or interested in the said Resolution.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 10 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 10 of the Notice, whether the entity is a Related Party to the particular transaction or not.

**ITEM NO. 11 & 12**

Details of the proposed RPTs between Chembond Water Technologies (Thailand) Co. Limited (CWTL Thailand) and Chembond Water Technologies Limited (CWTL) and between Chembond Water Technologies (Malaysia) Sdn. Bhd. (CWTL Malaysia) and Chembond Water Technologies Limited (CWTL), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November, 2021, are as follows:

Sr. No.	Description	Details of proposed RPTs between CWTL Thailand and CWTL	Details of proposed RPTs between CWTL Malaysia and CWTL
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs		
a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	CWTL Thailand WOS of CWTL and SDS of the Company, undertakes the business of water treatment chemicals. CWTL, WOS of the Company, offers the entire range of water treatment chemicals namely boiler water treatment chemicals, membrane treatment chemicals, raw water and effluent treatment polymers and defoamers. CWTL Thailand and CWTL are related parties of the Company, as on the date of this notice.	CWTL Malaysia WOS of CWTL and SDS of the Company, undertakes the business of water treatment chemicals namely boiler water treatment chemicals, membrane treatment chemicals, raw water and effluent treatment polymers and defoamers. CWTL WOS of the Company, offers the entire range of water treatment chemicals namely boiler water treatment chemicals, membrane treatment chemicals, raw water and effluent treatment polymers and defoamers. CWTL Malaysia and CWTL are related parties of the Company, as on the date of this notice.
b.	Type, material terms, monetary value and particulars of the proposed RPTs.	CWTL Thailand and CWTL have entered into / propose to enter into the following RPTs during FY 2024-25, for an aggregate value not exceeding ₹5 crore: <ul style="list-style-type: none"> <li>• Purchase of goods/ Sale of Finished Goods.</li> <li>• Reimbursement of expenses</li> </ul>	CWTL Malaysia and CWTL have entered into / propose to enter into the following RPTs during FY 2024-25, for an aggregate value not exceeding ₹5 crore: <ul style="list-style-type: none"> <li>• Purchase of goods/ Sale of Finished Goods.</li> <li>• Reimbursement of expenses</li> </ul>
c.	Percentage of the Company's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	206.61%	172.41%
2.	Justification for the proposed RPTs	The operational transactions which mainly consists of sale or purchase of goods etc. will support the business of both the companies in cost synergy by leveraging on the expertise / technical manpower / manufacturing facilities of each other and resulting in sustainability in the long run.	

Sr. No.	Description	Details of proposed RPTs between CWTL Thailand and CWTL	Details of proposed RPTs between CWTL Malaysia and CWTL
3.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary		
a.	Details of the source of funds in connection with the proposed transaction.	Not Applicable	Not Applicable
b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> <li>Nature of indebtedness,</li> <li>Cost of funds and</li> <li>Tenure.</li> </ul>	Not Applicable	Not Applicable
c.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	Not Applicable	Not Applicable
d.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable	Not Applicable
4.	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered e-mail address of the shareholder.	The pricing mechanism followed for recurring transactions is based on past practices adopting Arm's Length Principle. In case of other RPTs, the pricing mechanism would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/or services. In the case of reimbursements / recoveries, same would be basis actual cost incurred.	
5.	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship.	Mr. Nirmal V. Shah, Vice Chairman and Managing Director is Director on the Board of CWTL Thailand. Mr. Sameer V. Shah, Chairman and Managing Director, Mr. Nirmal V. Shah, Vice Chairman and Managing Director, Mr. Mahendra K Ghelani – Independent Director and Mr. Sushil U. Lakhani – Independent Director are on the Board of CWTL. Their interest or concern or that of their relatives, is limited only to the extent of their holding directorship / KMP position and their shareholding in the CWTL Thailand and CWTL.	Mr. Sameer V. Shah, Chairman and Managing Director, Mr. Nirmal V. Shah, Vice – Chairman and Managing Director, Mr. Sushil U. Lakhani – Independent Director and Mr. Mahendra K Ghelani – Independent Director are on the Board of CWTL. Their interest or concern or that of their relatives, is limited only to the extent of their holding directorship / KMP position and their shareholding in CWTL Malaysia and CWTL.
6.	Any other information that may be relevant.	All relevant information are mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.	

None of the other Directors, Key Managerial Personnels of the Company and/or their relatives are, concerned or interested in the said Resolution.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 11 & 12 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 11 & 12 of the Notice, whether the entity is a Related Party to the particular transaction or not.



**ITEM NO. 13**

The Board of Directors, on the recommendation of the Audit Committee at its meeting held on 25<sup>th</sup> May, 2024, approved the appointment of M/s. Aatish Dhattrak & Associates, Cost & Management Accountants, (FRN.: 101575), to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March 2025. The Board at its meeting held on 25<sup>th</sup> May, 2024 has approved their appointment for the FY ended 31<sup>st</sup> March, 2025 at a remuneration of ₹80,500/- (Rupees Eighty Thousand Five hundred 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. 13 of the Notice, for the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March 2025.

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. 13 of the accompanying Notice for approval by the Members.

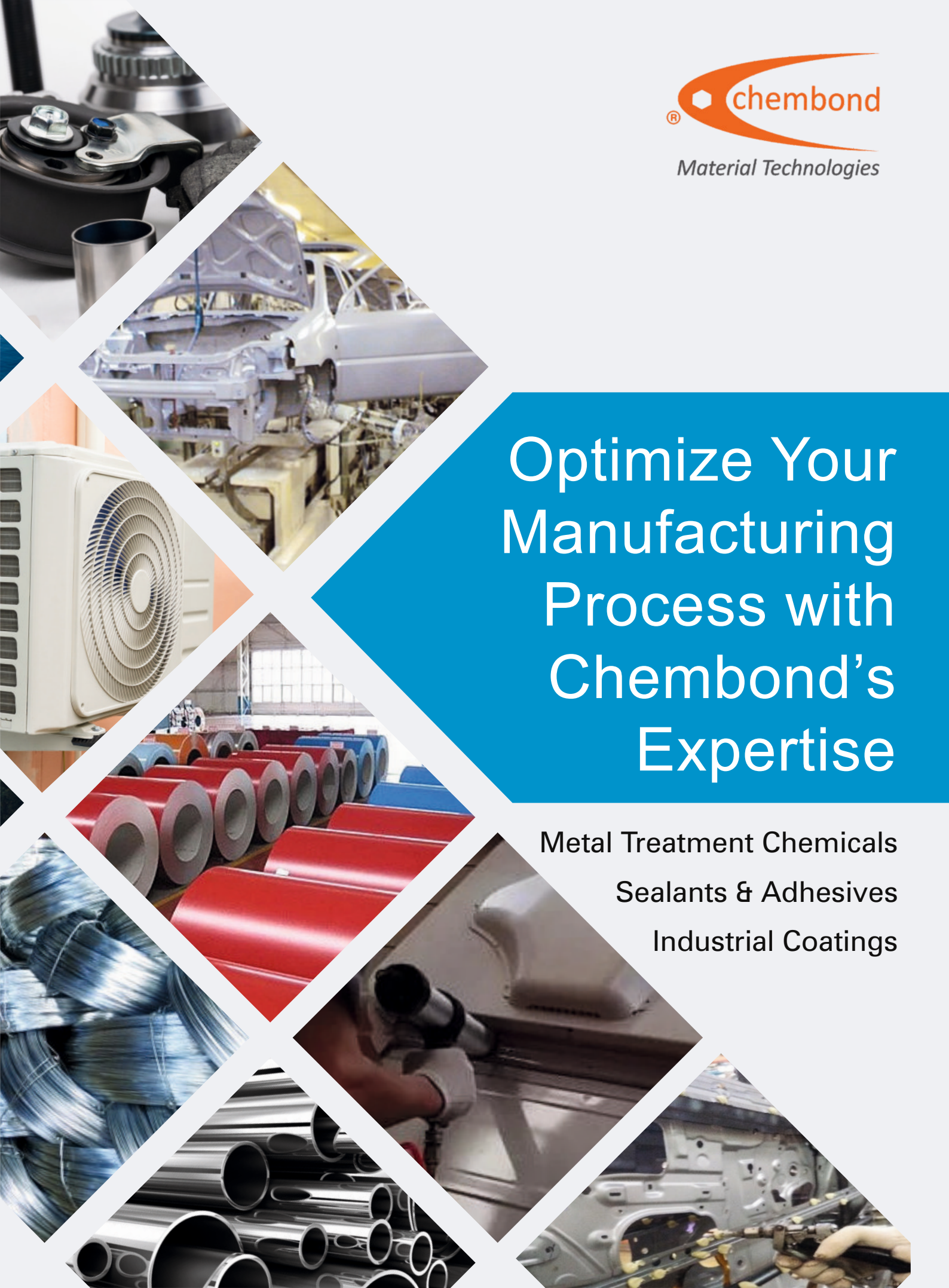
Mumbai  
25<sup>th</sup> May, 2024

By Order of the Board of Directors  
of **Chembond Chemicals Limited**

**REGISTERED OFFICE:**

Chembond Centre,  
EL-71, Mahape MIDC,  
Navi Mumbai - 400 710  
Maharashtra, India.  
Tel: +91 22 6264 3000  
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CIN: L24100MH1975PLC018235

sd/-  
**Suchita Singh**  
Company Secretary



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# ***Virendra Bhatt***

*Company Secretary*

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Email : bhattivirendra1945@yahoo.co.in

**Form No.: MR-3**

## **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024

*[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"). The 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, 2024 ("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 Chembond Water Technologies Limited for the financial year ended on 31<sup>st</sup> March, 2024, according to the provisions of:



- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The 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, 2024.
2. The Board of Directors of the Company is duly constituted with proper balance of Directors as prescribed under the Act. The changes in the composition of the Board of Directors that took place during the period under review 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 except for those Meetings which were held at shorter notice and consent taken.
4. I was informed and have 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.

**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. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
4. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of 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.

**Date: 10<sup>th</sup> May, 2024**  
**Place: Mumbai**

**UDIN: A001157F000345336**



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

# *Virendra Bhatt*

*Company Secretary*

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## **Form No.: MR-3**

### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024

*[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"). The 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, 2024 ("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 Chembond Material Technologies



Private Limited for the financial year ended on 31<sup>st</sup> March, 2024, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The 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, 2024.
2. The Board of Directors of the Company is duly constituted with proper balance of Directors as prescribed under the Act. The changes in the composition of the Board of Directors that took place during the period under review 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 except for those Meetings which were held at shorter notice and consent taken.
4. I was informed and have 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.

**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. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
4. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of 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.

**Date: 11<sup>th</sup> May, 2024**

**Place: Mumbai**

**UDIN: A001157F000345391**



**Virendra G. Bhatt**

**Practicing Company Secretary**

**ACS No.: 1157 / COP No.: 124**

**Peer Review Cert. No.: 1439/2021**