

Chembond Chemicals Limited

46th Annual Report 2020-21

chembondindia.com



BOARD OF DIRECTORS

Mr. Ashwin R. Nagarwadia : Non-executive Director

Mr. Mahendra K. Ghelani : Independent Director

Mr. Nirmal V. Shah : VC and Managing Director

Dr. Prakash D. Trivedi : Independent Director

Mr. Sameer V. Shah : Chairman and Managing Director

Mrs. Saraswati Sankar : Independent Director

Mr. Sushil U. Lakhani : Independent Director

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Chief Financial Officer

Rashmi S. Gavli

Cost Auditor

Jitendrakumar & Associates

Company Secretary

Suchita H. Singh

Statutory Auditors

Bathiya & Associates LLP
Chartered Accountants

Secretarial Auditor

Virendra G. Bhatt

Registrar & Transfer Agents

TSR Darashaw
Consultants Pvt. Ltd
(formerly known as
TSR Darashaw Limited)

Bankers

HDFC Bank Limited
Bank of India
Kotak Mahindra Bank

Plants

Alandi, Pune
Dudhwada, Gujarat
Mahape, Navi Mumbai
Nalagarh, Himachal Pradesh
Rabale, Navi Mumbai
Ranipet, Tamil Nadu
Wagle Estate, Thane
Tarapur, Maharashtra

Registered Office

Chembond Centre, EL-71,
Mahape MIDC,
Navi Mumbai, 400710
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Email : info@chembondindia.com
Website: www.chembondindia.com
CIN : L24100MH1975PLC018235

Management Discussion and Analysis

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

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

Step-down subsidiaries

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

Note: During the year under review Chembond Water Technologies (Thailand) Company Limited became a WOS of Chembond Water Technologies Limited and SDS of your Company. It is yet to commence business.

This discussion, therefore, covers the financial results and other developments from April 2020 to March 2021, in respect of the Group. The financial year 2020-21 has been referred to as "the year" and the financial year 2019-20 has been referred to as "the previous year". Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated owing to various factors such as changes in government regulations, tax regimes, economic developments, exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints, etc.

During the year under review, your Company has achieved revenue from operations of ₹4,203.69 lakhs on standalone basis and ₹27,444.58 lakhs on consolidated basis. The comparative figures are tabulated below.

Standalone and Consolidated

The highlights of standalone and consolidated performance are as follows:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Net Sales	3,903	5,566	25,434	24,844
Product Margin	2,007	2,346	11,102	10,657
Gross Margin	1,311	1,542	9,143	8,515
Selling & Administration	846	1,037	4,167	4,046
Employee Cost	599	874	5,396	5,716
EBITDA	1,552	815	3,351	1,302
PBT	1,265	531	2,853	789

Ratio Analysis	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Product Margin, % of Sales	51.42	42.15	43.65	42.89
Gross Margin, % of Sales	33.60	27.71	35.95	34.27
Selling & Admin Costs, % of Sales	21.68	18.63	16.38	16.29
Employee Costs, % of Sales #	15.35	15.71	21.21	23.01
% of EBITDA to Sales *	39.78	14.65	13.17	5.24
Net Profit Margin (%)*	23.01	9.47	7.44	1.15
Return on Net Worth (%)*	4.13	2.41	7.26	1.16
Earnings per Share (Basic & Diluted)	7.18	4.12	1.39	1.39
Debt/Equity ratio@	0.00	0.00	0.01	0.01
Debtors Turnover	2.38	2.07	3.31	3.09
Inventory Turnover	6.03	6.16	5.75	6.28
Interest Coverage ratio@	178.93	110.24	68.62	11.08
Current ratio	7.45	7.73	3.24	3.71

#Reduction in Employee cost is on account of transfer of employees to Subsidiaries.

*EBITDA, Net Profit and Return on Net worth as a % to Sales increased due to positive impact of revaluation of Investments and better business performance.

@Debt / Equity and Interest coverage ratio improved due to reduction in borrowings.

There is no significant change (i.e. change in 25% or more as compared to the financial year 2019-20) in the key financial ratios except the ones mentioned above.

Industry Structure & Developments

Global Economy

The pandemic and consequent lockdowns have hurt most industrial and service sectors and caused the largest economic recession across the world economy as countries imposed lockdowns to curb the spread of the disease, resulting in enormous job losses and reduction of investments in corporate assets. The collapse of investments in many emerging markets and developing economies, was on the back of a decade of persistent weakness. However, the fiscal stimuli by most economies, control over the spread, and the fastest roll-out of a vaccine to any pandemic have given hopes of a turnaround. New variants and repeated waves of the virus still pose a concern for the economy. Global economic output is expected to expand 4% in 2021 and global growth is projected to be moderate to 3.8% in 2022.

Indian Economy

India's economy had grown at 4.2% in 2019-20, the covid-19 pandemic however forced the Government to impose a complete lockdown across the country in late March 2020 and economic activities opened in phased manner from June 2020. The covid counts then reduced and the situation was starting to come to normalisation around the third quarter, when the second wave hit the country and more lockdowns were imposed by most state governments. The surge in the cases in the second wave has been quite impactful for the country. The pandemics enduring damage has resulted in a negative GDP for the country. The Indian economy grew 0.4% year-on-year in Q3 of 2020-21, slightly below market forecasts.

Chemical Industry

India is the fourth largest producer of chemicals globally. Speciality chemicals constitute 22% of the total chemicals and petrochemicals market in India. In January 2021, exports of organic and inorganic chemicals grew 2.55 % YoY. The segment has immense growth potential due to the increasing demand from construction, automotive, packaging, water treatment, home and personal care, food processing, nutraceuticals and other demand-driven sectors. The Indian chemical industry has tremendous potential and is projected to reach \$304 bn by 2025. Your Company deals in Speciality Chemicals.

Outlook on Opportunities, Threats, Risks and Concerns

Your Company has a well-established infrastructure with respect to manufacturing capacities, human resources, sales and technical expertise, which are key factors for future growth of its businesses. The Company can bank on its product development skills for creating new

markets and products, backward integration, quality improvement and cost reduction.

Opportunities

1. The advantage of being a professionally managed local company allows the Company to tailor solutions and products to Indian conditions.
2. In house research centre and technical expertise helps develop solutions for customers.
3. A large domestic market fuelled by rising incomes in urban and rural areas.
4. Government initiatives / incentives for setting up sourcing / manufacturing companies within the country.
5. The supply chain disruptions due to the pandemic has led to companies seeking alternate sources for chemicals, thereby giving the chemical sector in India an opportunity for significant growth.
6. Expansion in the manufacturing capacities by customers to cater to growing demand.

Threats

1. Global companies investing in India increases competition.
2. Chemical companies are affected by environmental regulations and public perception of the industry. However, awareness about the regulations and means for proper measures to safeguard the environment will add to value creation and growth.
3. It becomes difficult to position the chemical industry as a sustainable and secure workplace due to the barrier created in the mindset of people about its ill effects.
4. Threats from low-cost manufacturers and introduction of automated processes.
5. Cost of compliance makes operations uneconomical and inviable.

Risks & Concerns

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

The Company is exposed to health, safety, security and environmental risks, given the diversity and complexity of the industry in which the Company operates. The Managements commitment towards employee health, safety and security extends beyond accidents and

occupational health hazards to social well-being of employees. The Company conducts EHS audits periodically to get assurance on its framework protocol and regulatory compliances. The Company has an Environment, Health and Safety Policy entailing its commitment towards high standards of EHS across its facilities. The evolution of the regulatory environment across the globe has resulted into increased scrutiny that raises minimum standards required by the Company necessitating increased investment in compliance. The Company considers regulatory requirements as a source of competitive advantage and therefore abides by and strives to exceed the changing regulatory compliance requirements to consolidate its position in business.

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

Business Snapshot

Water Treatment

Your Company offers speciality chemicals, systems and services for industrial water treatment and reclamation across the country and in limited international geographies. Our solutions are derived based on extensive customer system surveys and are coupled with advanced monitoring techniques and proactive technical support to outperform our customer's expectations. Our capabilities include – treating source water and making it suitable for use in industry; treating recirculating cooling water and enhancing its productivity while preventing it from deteriorating plant performance; maintaining steam generation equipment efficiency with our boiler feed water treatment solutions; and enabling wastewater treatment and its re-use. Our NSF approved RO membrane treatment and evaporator treatment products allow enhanced water recovery and zero liquid discharge operations. The leading global market analysis and consulting firm Frost & Sullivan noticed Chembond Water Technologies Limited's strong overall performance and presented their Best Practices Award "The 2020 Indian Water Treatment Chemicals Company of the Year" to us. The water business faced enormous challenges owing to Covid-19. We had to adapt to the new normal of remote working while providing bespoke services to customers across the country. Despite the disruption and the uncertain business environment, your company maintained its revenue growth track and closed the year with a 10% top line growth.

During the year under review Chembond Clean Water Technologies Limited executed an agreement becoming the exclusive distribution partner in India of the Membrane Solutions segment of MANN+HUMMEL, Germany. This reinforces our solution offerings for industrial and municipal water and wastewater treatment. Products like BIO-CEL® MBR, AQUADYN® UF, PureULTRA UF, and MICRODYN RO and NF spirals have performance advantages in most segments.

Our Water Technologies businesses are constantly working with customers on their water conditioning, recycle and reuse projects.

Construction Chemicals

Lockdown and travelling restrictions had a downward impact on the top line of business. Many of the large projects went through a slow down due to unavailability of workers at site. Sales gained momentum in the second half of the financial year but could not bridge the gap created by the considerably lower sales in first half of the financial year. The business however delivered an improved product margin and a reduction in overhead cost in the current financial year. The bottom line though lower compared to prior year, was not affected to the extent of reduction in sales. We expect the second Covid-19 wave to affect the business performance in the next financial year but, also anticipate it to be of a shorter duration and hope to see a bounce back in business growth from strategic customers and channel partners.

Biotech

Within the Biotech segment, your Company sells products for the Animal Health and Nutrition industries. During the year under review this business continued to face challenges due to the pandemic, which had started in Q4 of FY20. The lockdowns in Q1 & Q2 were severe for the industry and this was further compounded by a bird flu epidemic in Q4. Estimates suggest that the poultry industry de-grew by 25% in FY 2020-21. Chembond Biosciences Limited could restrict the business de-growth at 2%. This was possible due to our strategy of improving operational efficiencies and by expanding and driving growth in the products for the dairy industry. As a result, our debtors and inventories reduced by more than Rs.100 Lakhs each and product margins improved by 4 percentage points. Although the dairy business is in a nascent phase, it will be an important growth driver, and we are pleased that we could attain a growth of 67% this year. This division became fully operational in the northern part of the country by Q4 and the current year will see a build-up in our operations in the western states.

Although the external environment continues to be

challenging due to the pandemic and the high cost of animal feed ingredients, our business is rightly positioned with our infrastructure, presence in major markets, and an aggressive growth strategy.

Material Technologies

Your Company's Material Technologies division and its subsidiaries manufacture a wide range of products that cater to similar customers and use the synergies of your Company's relationships with major customers and our senior management.

The Metal Treatment Chemicals business had another good year with continued acceptance by customers in the engineering, steel, appliance, and automotive vendors and some small beginnings in export markets. Our focus on green technology products was a factor in our growth. The High-Performance Coatings business achieved the volumes of the previous year, despite the pandemic and a unprecedented spike in epoxy resin prices in Q4 that impacted business. Engineering Adhesives has shown a substantial increase in sales and wins at prestigious customers. A special focus is being given to increase the sales of these adhesives. The Defence and Maintenance Repair & Overhaul (MRO) business also recorded growth over the previous year. The Automotive Sealants business, which operates under a subsidiary, Phiroze Sethna Pvt. Ltd., was affected due to low overall production of commercial vehicles and slowdown in passenger vehicles. The sharp increase in polyvinyl chloride resin prices due to the freeze in North America and other raw materials based on crude oil drastically affected margins. Your company is working with the OEMs for price increases and is confident of regaining margins in the current year. Your company has also been working on approvals of other automotive sealants and has received a few successes. The sales of paint booth products from Gramos Chemicals India Pvt. Ltd. is quite satisfactory and efforts are being made to increase the sales through dealer networks, more OEM's and export markets.

Industrial Hygiene

Your Company has a Joint Venture with Calvatis GmbH, Germany and offers industrial hygiene and cleaning solutions to the dairy, food processing, beverage and brewing industries. The Company continues to make inroads in these segments and is augmenting its capabilities continuously. Revenues of Chembond Calvatis Industrial Hygiene Systems Ltd. were adversely impacted throughout the year with sales to the brewing industry being worst affected. Several customer application start-ups were delayed owing to the lockdown and slowdown that was encountered during

the year. Keeping this experience in mind, we are focussing energies on broad basing our presence and expanding our solution offerings to other user industry segments. The Company is well placed technologically to enhance its presence across major applications.

Polymers

After a couple of years of volatility in prices of the monomers used in polyamide 610 production and competition from imported materials, your Company has decided to not proceed with the earlier plan to scale up the pilot plant. This was not an easy decision to make but looking at the expected margins and investments required, your Company does not feel that this business would generate the required returns.

Research & Development

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

Manufacturing

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

Safety, Health, Environment and Quality

Our focus remains undeterred when it comes to providing a safe and healthy workplace to our employees, caring for the environment by adhering to and exceeding statutory norms, and to our diverse customers to whom we aim to be a "supplier of choice". All manufacturing plants and functions have targets for improving upon existing safety, quality and customer service metrics. A dedicated safety team conducts risk assessments of all sites to identify occupational hazards and define control measures to reduce the risk to acceptable levels as per ISO 45001. The Company continues to maintain its Quality Management Systems certifications as per ISO 9001 & IATF 16949. One of our subsidiary Chembond Water Technologies Limited implemented Quality Management System as per ISO 9001 in technical

services. Our integral water proofing compound for cement, mortar and concrete is certified for IS 2645:2003. We have Environment Management System to meet standards of ISO 14001. We desire to take our safety, health and environmental performance to the next level by preparing to meet "Responsible Care" benchmarks.

Human Resources

The manpower strength of your Company as on 31st March, 2021 is 107 employees and the total group companies manpower count stands to 1008 employees, with the average age of the workforce being around 35 years. In 2020-21 employee relations in your Company continued to be harmonious in all plants and establishments, sites. The focus was to ensure employee safety during pandemic and ensuring employee productivity, high morals whilst Working From Home, thereby striking balance to build employee ownership attitude with the company objectives. Your Company has introduced customised digital automated HR software for employees for effective recruitment, onboarding, induction and for online trainings.

The individual & departmental performance parameters are linked to Company's objective & departmental annual goals for 2020-21 mutually through well-defined Key Result Areas and Key Performance Indicators.

Online Learning & Development initiatives have been focused with participative approach & seminars are conducted to enhance key competencies of workforce at all the levels including regional site, plant level employees, which is helping them to explore their potential at workplace and demonstrate skills and leadership.

Organisational Culture building is driven through various employee engagement programmes & with immediate focus on Safety for all with constant precautionary updates, online awareness campaigns and regular health check-up etc.

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. The Company's internal controls are commensurate with its size and the nature of its operations. The internal control framework is intended to ensure correct, reliable and timely financial reporting and management information.

The Company has implemented the Internal Financial Control (IFC) framework to ensure proper Internal Controls over financial reporting. The internal control system is further supplemented by Internal Audit carried out by an independent firm of Chartered Accountants and periodic review by Management. The Internal Audit

process is designed to review the adequacy of internal control checks in the system and covers all the significant areas of the Company's operations. Based on the report of Internal Audit, the process owners undertake corrective actions in their respective areas, thereby further strengthening the Controls.

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

Corporate Social Responsibility (CSR)

Chembond Group aims to take a balanced approach to address social, economic and environmental issues through diverse programs, recognizes that its business activities have wide impact on the societies in which it operates. The Company endeavours to make CSR a key business process for sustainable development and it is committed to play active role in improving the lives of people.

Chembond Children's Centre provides education to economically underserved sections, especially girls, as one of its core functional area for CSR activities. The Chembond Children's Centre runs non-formal educational centres at Pasthal and Shigaon near Tarapur. The objective of the Centre is to augment school curriculum by providing individual attention to students and improving the self-esteem of girls via skills like the martial arts, dance, painting, chess, gymnastics, and sewing. In addition to the above, the Centre conducts camps and workshops in the areas of health care, life skills, and assists students in obtaining scholarships.

The pandemic disrupted the schooling of the kids, but our staff visited the villages and study classes continued in Shigaon, Parnali, Jambhale and Bhendwad padas. In addition to the above, the Centre provided masks and dry ration kits to needy families. The Trust also conducted camps and workshops in the areas of health care, sanitation, life skills, and assisted students in obtaining scholarships.

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

Disclosure of Accounting Treatment

Chembond has prepared financial statements for the FY 2020-21 in accordance with the Indian Accounting Standards (IND AS) as specified under Section 133 of the

Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

Outlook

The Indian economy which had gained tremendous applause from the world for effectively controlling the number of cases and casualties in the first wave, rebounded strongly in the 2nd half of 2020. However, the severe hit of the virus in second wave, now threatens the economic outlook. Earlier, India Inc. along with the experts and economists had predicted a V-shaped recovery curve for the Indian economy but that seems unachievable now.

Prime Minister Narendra Modi in his address to the nation has said that the second wave of coronavirus has hit us like a storm. A prolonged 2nd wave beyond June and the paucity of vaccines could result in a fundamentally weaker growth dynamic as the permanent loss of jobs and business closures would lead to more economic scarring.

Covid-19 has unleashed a disproportionate crisis that has overwhelmed both the economy and India's health care sector. The Government strategy and actions on both these fronts will be the driving force behind the revival of the economy.

Balancing both economic and public healthcare is undeniably challenging but is perhaps the only sensible option available that a nation of 1.3 billion can adopt to overcome the present crisis.

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

Sameer V. Shah

Chairman and Managing
Director

Nirmal V. Shah

VC and Managing
Director

Mumbai

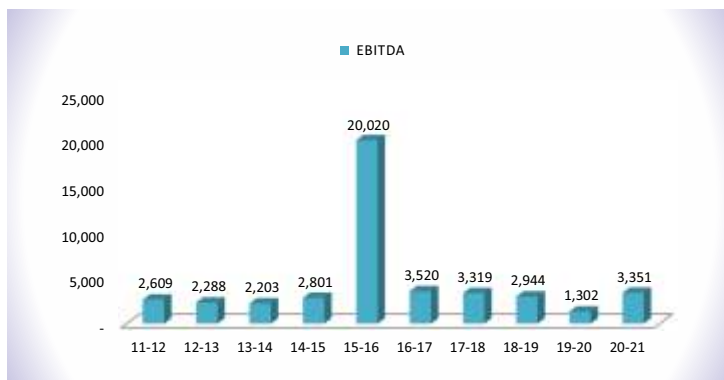
15th May, 2021

HIGHLIGHTS

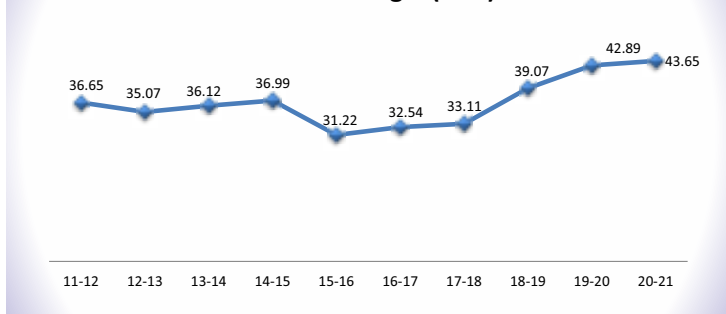
Standalone



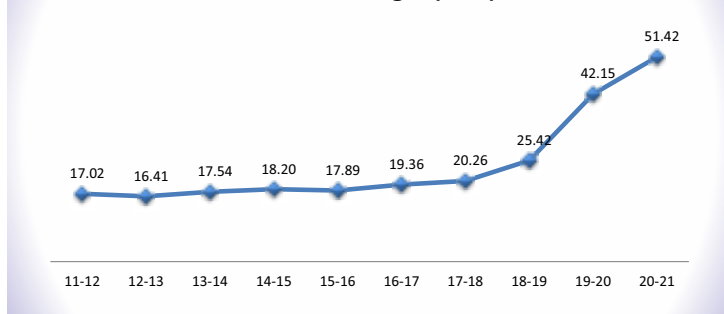
Consolidated



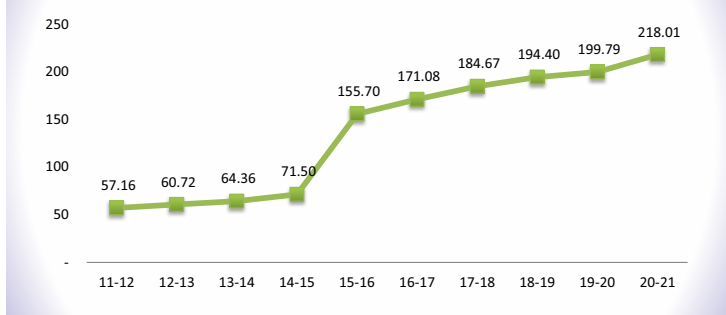
Product Margin (in %)



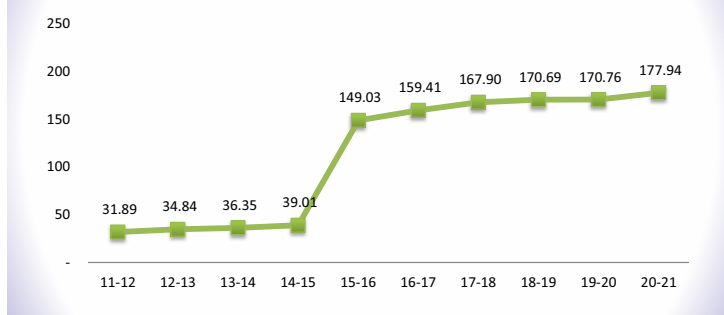
Product Margin (in %)



Book Value



Book Value



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 Consolidated

(₹ in lakhs except per share data and ratios)

Highlights	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Operating Result										
Revenue From Operations	27,444.58	26,804.28	30,130.94	33,422.81	32,086.11	27,104.71	30,022.85	27,445.96	26,606.44	23,128.40
Other Income	1,533.09	303.78	393.14	1,064.02	1,829.86	3,321.25	138.04	120.77	120.52	138.64
Finance Cost	42.19	78.29	78.20	118.21	116.67	181.36	361.08	402.88	451.71	364.08
Depreciation	455.45	434.80	423.98	410.67	381.56	354.51	432.32	281.39	259.28	209.93
PBT	2,852.92	789.21	2,440.59	2,790.28	3,021.42	19,484.02	2,007.90	1,518.98	1,576.76	2,035.06
PAT	2,040.89	308.50	1,983.64	2,356.77	2,285.73	15,650.25	1,440.27	912.41	790.19	1,360.56
Dividend on Equity Shares	-	537.93	248.79	221.90	-	601.97	199.81	199.81	189.82	149.47
Financial Position										
Equity Share Capital	672.41	672.41	672.41	672.41	672.41	669.69	666.04	666.04	666.04	636.04
Reserves (Less Revaluation Reserve & Misc exp)	28,646.73	26,195.52	25,471.56	24,162.33	22,335.46	20,183.93	8,858.60	7,907.32	7,422.93	6,635.28
Net Worth	29,319.14	26,867.93	26,143.97	24,834.75	23,007.87	20,853.62	9,524.64	8,573.36	8,088.97	7,271.32
Borrowings	188.06	337.82	670.22	908.96	888.25	1,089.79	2,495.24	3,307.28	2,948.21	3,668.79
Net Block (Asset)	12,155.39	12,391.26	10,921.78	10,813.77	4,912.55	4,714.11	5,147.03	5,361.52	4,725.00	4,122.79
Ratios										
Return on Average Networth % (RONW) (PAT divided by Average Networth)	7.26%	1.16%	7.78%	9.85%	10.42%	103.04%	15.92%	10.95%	10.29%	20.32%
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Fund Employed Excluding Def tax liab)	10.21%	3.21%	9.58%	11.72%	13.69%	115.72%	17.88%	16.01%	16.90%	24.46%
Gross Gearing % (Debt as a percentage of Debt plus Equity)	0.64%	1.24%	2.50%	3.53%	3.72%	4.97%	20.76%	27.71%	26.58%	33.36%
Current Ratio (Current Assets divided by Current Liabilities**)	3.24	3.71	3.47	2.42	3.37	2.83	2.16	2.09	2.20	2.32
Asset Turnover Ratio (Net Sales divided by Total Assets)	0.78	0.83	0.94	1.03	1.00	0.91	1.48	1.34	1.45	1.32
Earning Per Share (Basic)*	15.13	1.39	12.88	16.34	14.40	115.04	9.29	5.83	5.57	9.85
Dividend Per Share	-	4.00	1.85	1.65	-	9.00	3.00	3.00	2.85	2.35
Book Value Per Share*	218.01	199.79	194.40	184.67	171.08	155.70	71.50	64.36	60.72	57.16

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

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

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

10 Years' Financial Performance Standalone

(₹ in lakhs except per share data and ratios)

Highlights	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Operating Result										
Revenue From Operations	4,203.69	5,854.29	15,628.96	23,779.03	24,367.32	21,563.77	21,674.90	20,356.05	17,689.98	15,368.80
Other Income	1,191.20	655.81	564.58	1,048.47	1,682.00	3,480.99	329.92	288.28	424.35	398.84
Finance Cost	7.11	4.86	29.12	54.60	63.88	118.75	273.51	304.20	291.70	237.81
Depreciation	280.46	279.84	287.77	287.18	274.10	268.57	276.21	192.13	181.95	138.53
PBT	1,264.90	530.81	706.27	1,406.12	1,729.97	18,567.35	573.72	410.80	419.47	801.03
PAT	967.32	554.16	633.15	1,359.31	1,451.50	15,122.59	558.33	392.43	347.76	664.23
Dividend on Equity Shares	-	537.93	248.79	221.90	-	601.97	199.81	199.81	189.82	149.47
Financial Position										
Equity Share Capital	672.41	672.41	672.41	672.41	672.41	669.69	666.04	666.04	666.04	636.04
Reserves (Less Revaluation Reserve & Misc exp)	23,257.87	22,291.87	22,282.45	21,907.35	20,765.91	19,291.49	4,529.93	4,175.53	3,974.92	3,421.20
Net Worth	23,930.28	22,964.28	22,954.86	22,579.77	21,438.32	19,961.18	5,195.97	4,841.57	4,640.97	4,057.24
Borrowings	-	-	-	467.12	732.18	819.54	2,176.85	2,481.42	2,298.03	2,138.50
Net Block (Asset)	3,414.79	3,652.39	3,763.63	3,805.35	3,936.97	3,680.86	3,617.61	3,820.63	3,403.46	2,881.72
Ratios										
Return on Average Networth % (RONW) (PAT divided by Average Networth)	4.13%	2.41%	2.78%	6.18%	7.01%	120.23%	11.12%	8.28%	8.00%	17.86%
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Fund Employed Excluding Def tax liab)	5.45%	2.35%	2.90%	6.46%	8.35%	132.63%	11.47%	9.96%	10.74%	18.35%
Gross Gearing % (Debt as a percentage of Debt plus Equity)	0.00%	0.00%	0.00%	2.03%	3.30%	3.94%	29.53%	33.64%	32.85%	34.20%
Current Ratio (Current Assets divided by Current Liabilities**)	7.45	7.73	4.33	1.78	3.13	2.93	1.37	1.31	1.46	1.53
Asset Turnover Ratio (Net Sales divided by Total Assets)	0.17	0.24	0.62	0.85	0.89	0.85	1.76	1.58	1.57	1.58
Earning Per Share (Basic)*	7.18	4.12	4.71	10.11	10.81	113.23	4.19	2.95	2.73	5.22
Dividend Per Share	-	4.00	1.85	1.65	-	9.00	3.00	3.00	2.85	2.35
Book Value per Share*	177.94	170.76	170.69	167.90	159.41	149.03	39.01	36.35	34.84	31.89

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

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

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

BOARD'S REPORT

To,

The Members,

Your Directors take pleasure in presenting the 46th Annual Report on the business and operations of your Company together with the audited financial statements for the year ended 31st March, 2021.

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	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	4,203.69	5,854.29	27,444.58	26,804.28
Profit for the year	967.32	554.16	2,034.43	187.29
Add: Balance as per last year	21,038.43	21,042.95	24,336.67	23,724.77
Add: Effect of previous year transaction	-	-	-	-
Add : Addition during the year	-	-	400.72	1,152.99
Less: Deduction during the year	-	-	-	-
Total	22,005.74	21,597.10	26,771.82	25,065.04
Appropriation				
General Reserves	-	-	70.00	70.00
Set off of Dividend Tax in respect of dividend from Subsidiary Company	-	(79.14)	-	(84.28)
Interim Dividend	-	-	-	245.00
Tax on Interim Dividend	-	-	-	55.50
Dividend Paid	-	537.93	-	292.93
Tax on Dividend Paid	-	99.89	-	149.22
Balance carried to Balance Sheet	22,005.74	21,038.43	26,701.82	24,336.67
Total	22,005.74	21,597.10	26,771.82	25,065.04

Results of Operations

Income

During the year under review, consolidated revenue from operations was ₹27,444.58 lakhs as compared to ₹26,804.28 lakhs in the previous year. On a standalone basis, your Company's revenue from operations was ₹4,203.69 lakhs as compared to ₹5,854.29 lakhs in the previous year.

Profit Before Tax

Consolidated profit before tax for the year was ₹2,852.92 lakhs as against ₹789.21 lakhs in the previous year. On a standalone basis, your Company's profit before tax for the

current year was ₹1,264.90 lakhs as against ₹530.81 lakhs in the previous year.

Profit After Tax

Consolidated profit after tax for the year was ₹2,040.89 lakhs as against ₹308.50 lakhs in the previous year. On a standalone basis, your Company's profit after tax for the current year was ₹967.32 lakhs as against ₹554.16 lakhs in the previous year.

Recent Developments at Micro and Macro Economic Levels

Financial Year 2020-21 was an unprecedented year of Covid-19 pandemic which led to recession globally. The pandemic created significant impact on lives, livelihoods, and businesses at macro levels. Restrictions in movement led to various operational challenges during the first few months of the pandemic. The Government initiated a vaccination drive for eligible adults and when the economy seemed to recover, the second wave hit the country severely. Your Company has taken necessary measures to try to mitigate the challenges being faced by it in the business due to the Covid-19 pandemic and to safeguard the health and safety of its employees and various other stakeholders.

Dividend

The Board of Directors have recommended a final dividend of ₹2.25/- per share for the financial year ended 31st March 2021. 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.

Share Capital

The movement of Equity Capital is as under:

Particulars	No. of Equity Shares
Equity Capital as on 1 st April 2020	13,448,288
Increase/ Decrease during the year	Nil
Equity Capital as on 31 st March 2021	13,448,288

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

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

Fixed Deposits

The Company has not accepted any deposits within the meaning of Section 73 of the Act and Rules framed thereunder.

Transfer to Reserves

Your Company does not propose to transfer any amount from the current year's profits to the General Reserve. (Previous year Nil)

Directors and Key Managerial Personnel

At present your Company has seven Directors consisting of four Independent Directors including a

Woman Director, two Executive Directors and one Non-executive Director. Due to the Covid-19 Pandemic the Directors of your Company took voluntary deduction of 25% in their remuneration / sitting fees for the period from Apr-Aug 2020.

In accordance with the provisions of Section 152(6) of the Act, Mr. Ashwin Nagarwadia (DIN: 00466681) Non-Executive Director, retires by rotation and being eligible, offers himself for re-appointment. His background is given in the Corporate Governance Report, which forms part of this report.

The Board has approved the continuation of Directorship of Mr. Ashwin Nagarwadia (DIN: 00466681) beyond the age of seventy-five years which is also placed for approval by Members by way of special resolution at the ensuing AGM.

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

Inter-se relationship between Directors

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

Declaration by Independent Directors

All the Independent Directors of the Company have furnished a declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('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.

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 www.chembondindia.com. Salient features of the policy on remuneration of Directors have been disclosed in the Corporate Governance section of this Report.

Number of Board Meetings

Five (5) meetings of the Board were held during the year, details of which are furnished in the Corporate Governance Report.

Performance Evaluation and its Criteria

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

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

The Independent Directors at its separate meeting held on 9th February, 2021, 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 31st March, 2021, 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.

Auditor's and Auditor's Report

Statutory Auditors

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

The Report given by the Auditors on the financial statement of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Cost Auditors

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

The Board of Directors, on the recommendation of Audit Committee have appointed M/s. Jitendrakumar & Associates, Cost & Management Accountants, Mumbai, (FRN. 101561/Membership No. 30106) as the Cost Auditor to audit the cost records of the Company for FY 2021-22. The Company is seeking the ratification/approval of the Members for the remuneration to be paid to M/s. Jitendrakumar & Associates, Cost & Management Accountant for the FY ended 31st March, 2022.

The relevant Cost Audit Report for the FY 2019-20 was filed with Ministry of Corporate Affairs on 4th August, 2020 in Form CRA-4.

Secretarial Auditor & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and the Rules made thereunder, the Board of Directors of the Company has appointed Mr. Virendra G. Bhatt, Practising Company Secretary (C.P. No.: 124) to undertake the Secretarial Audit of the Company for the year ended 31st March, 2021. The Secretarial Audit Report in Form MR- 3 for the Financial Year ended

31st March, 2021 has been annexed as **Annexure 1**.

There are no Secretarial Audit qualification for the year under review.

Subsidiaries and Step-down subsidiaries

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

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

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

Step-down subsidiaries

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

During the year under review Chembond Water Technologies (Thailand) Company Limited became a WOS of Chembond Water Technologies Limited and SDS of your Company. It is yet to commence business.

The details of financial performance of the subsidiaries and step-down subsidiaries are given in AOC-1 as **Annexure 2**.

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

Remuneration to Directors and Key Managerial Personnel

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

Particulars of employees

The statement containing particulars of employees as required under Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, will be provided upon request to the Company. None of the

employees of the Company are being paid remuneration exceeding the prescribed limit under the said provisions and rules.

Remuneration to Managing Director from wholly owned subsidiary

During the financial year 2020-21, Mr. Sameer V. Shah -Chairman and Managing Director received remuneration of ₹25.88 lakhs from Chembond Biosciences Limited, WOS Company, and Mr. Nirmal V. Shah, Vice-Chairman & Managing Director received remuneration of ₹48.95 Lakhs from Chembond Water Technologies Limited, WOS Company.

Policies and Disclosure Requirements

In terms of provisions of the Act and the Listing Regulations, the Company has adopted all the applicable policies. The policies are available on the website of the Company at

<http://www.chembondindia.com/policy.html>.

All Directors and Senior Management Personnel have affirmed their adherence to the provisions of the Code of Conduct during the financial year 2020-21.

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

Risk Management

The Company has its Risk Management Plan & Policy in place which is also displayed on the website of the Company. In the opinion of the Board, during the financial year 2020-21, 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. It has procedures covering all financial and operating functions and processes. These have been designed to provide a reasonable assurance with regards to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses and compliance with regulations. Key controls have been tested during the year and corrective and preventive actions are

taken for any weakness.

During the year no frauds have been detected or reported to the Audit Committee.

Corporate Governance & Vigil Mechanism

A separate Corporate Governance Report on compliance with Corporate Governance requirements as required under Regulation 34(3) read with Schedule V to the Listing Regulations forms part of this Annual Report. The same has been reviewed and certified by Mr. Virendra G. Bhatt, Practising Company Secretary, the Secretarial Auditors 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, if any. The vigil mechanism / whistle blower policy is available on Company's website

<http://www.chembondindia.com/policy.html>.

Corporate Social Responsibility (CSR)

The criteria prescribed under Section 135 of the Act with respect to constituting CSR Committee, adopting CSR policy and spending amount on CSR activities in accordance with the Act is applicable to your Company from FY 2020-21.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

During the year, the Company has spent ₹11.45 lakhs on CSR activities. The Company has identified focus areas of engagement which have been enumerated in the Annual Report on CSR Activities attached as **Annexure 5**.

Chembond Water Technologies Limited a WOS of the Company spent an amount of ₹ 25.15 lakhs on CSR activities. The Company's CSR Policy is available on the website of the Company at

<http://www.chembondindia.com/policy.html>.

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 (IndAS-24) have been made in the notes to the Financial Statements. The Board has a policy for related party transactions which has been uploaded on the Company's website

<http://www.chembondindia.com/policy.html>. There

were no material Related Party Transactions during the year. Accordingly, Form No. AOC-2, prescribed under the provisions of Section 134 (3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of Related Party Transactions, which are not "not at arm's length basis" and also which are "material and arm's length basis", is not provided as an annexure to this Report as it is not applicable.

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

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure 6**.

Particulars of Loans, Guarantees and Investments

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

Promoters

The Promoter Group's holding in the Company as on 31st March, 2021 was 65.88 % of the Company's paid-up Equity Capital. The members may note that the shareholding and other details of Promoters has been provided in Annual Return as mentioned below.

Annual Return as on 31st March, 2021

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

Management Discussion and Analysis Report

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

Prevention, Prohibition and Redressal of Sexual Harassment of Women

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy for Prevention of Sexual Harassment at Workplace is available on the website of the Company

<http://www.chembondindia.com/policy.html>. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy who are also provided training about the Act.

During the year under review, no complaint was received.

Business Responsibility Report

The Business Responsibility Report for the year ended 31st March, 2021 as stipulated under Regulation 34 of the Listing Regulations is annexed as **Annexure 7**.

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

No significant and material order has been passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

On behalf of the Board

Sameer V. Shah

Chairman and Managing Director

Nirmal V. Shah

VC and Managing Director

Mumbai**15th May, 2021****Compliance with Secretarial Standards**

The Company has complied with the applicable Secretarial Standards.

Acknowledgements

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

Annexure 1
Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

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

To,
The Members,
Chembond Chemicals Limited

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

Based on my verification of the Company's statutory registers, minute books, forms and returns filed with the Registrar of Companies ('the ROC'), soft copy of the 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 31st March, 2021 ("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 31st March, 2021 according to the provisions of:

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

of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Though the following laws are prescribed in the format of Secretarial Audit Report, the same were not applicable to the Company for the financial year ended 31st March, 2021:-

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) I further report that, based on the Compliance Report of various Laws submitted by Department Heads of the Company, I am of the opinion that the Company has prima facie proper system to comply with the applicable laws.
- (vii) I have also examined compliance with the applicable clauses and I am of the opinion that the Company has prima facie complied with the applicable provisions of the Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

During the audit period, I am of the opinion that the Company has prima facie complied with the provisions

of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:-

1. I have not examined the financial statements, financial books and related financial Act like Income Tax, Sales Tax, Value Added Tax, Goods and Services Tax, ESIC, Provident Fund, Professional Tax, Foreign Currency Transactions, Related Party Transactions 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 31st March, 2021.

2. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director. There were no changes in the composition of the Board of Directors that took place during the audit period.

3. As per the information provided, the Company has prima facie given adequate notice to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except the Meetings held at shorter notice and a system exists for seeking and obtaining further information and clarifications on agenda items before the Meeting and for meaningful participation at the Meeting.

4. I was informed and I observed from the minutes of the Board and Committee Meetings that all the decisions at the Meetings were prima facie carried out unanimously.

5. There are prima facie adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

6. The management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/records required by the concerned authorities and internal control of the concerned department.

7. During the audit period, as per the information provided by the Company, prima facie there were no instances of transaction by the designated persons in the securities of the Company during the closure of trading window.

8. During the audit period, the Company has prima facie filed forms within time, few forms with the

additional fees and few under the Companies Fresh Start Scheme, 2020 ("CFSS").

9. I further report that during the audit period, there were no instances of:

- i. Public/Rights/Preferential issue of shares/debentures/sweat equity, etc.;
- ii. Issue of equity shares under Employee Stock Option Scheme;
- iii. Redemption/Buy-back of securities;
- iv. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013 which would have major bearing on the Company's affairs.
- v. Merger/amalgamation /Reconstruction etc.
- vi. Foreign Technical Collaborations.

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.

3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.

5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

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

Place: Mumbai

Date: 15th May, 2021

UDIN: A001157C000313953

Virendra G. Bhatt

Practicing Company Secretary

ACS No.:1157

COP No.:124

Peer Review Cert. No.: 491/2016

Annexure 2

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture as on 31st March, 2021
Part "A": Subsidiaries

Sr. No.	Name of subsidiary	Date since when the subsidiary was incorporated or acquired	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1	Chembond Biosciences Limited	01.07.11		INR	190	(185.95)	1,056.07	1,052.02	-	2,122.90	(97.92)	(11.60)	(86.32)	-	100
2	Chembond Calvatis Industrial Hygiene Systems Limited	12.12.08	01	INR	49.99	102.93	208.80	55.88	70.93	249.51	15.76	1.42	14.34	-	55
3	Chembond Clean Water Technologies Limited \$	17.04.10	Apr	INR	827.81	115.83	1,280.90	337.27	340.05	1,167	177.16	77.48	99.68	-	100
4	Chembond Distribution Limited	15.09.18	2020	INR	5.00	412.52	712.04	294.52	-	2,212.05	190.34	76.76	113.58	-	100
5	Chembond Material Technologies Private Limited	24.03.00	till	INR	151.50	(85.59)	3,274.91	3,209	-	5,273.96	(478.66)	(18.05)	(460.61)	-	100
6	Chembond Polymers and Materials Limited	14.12.06	Mar	INR	30.00	455.48	578.09	92.61	161.31	120.01	(22.94)	5.03	(27.97)	-	100
7	Chembond Water Technologies (Malaysia) SDN. BHD. \$	24.02.16	2021	RM**	29.30	44.17	104.13	30.65	-	137.88	15.47	4.85	10.62	-	100
8	Chembond Water Technologies Limited	12.12.84		INR	50.00	6,265.82	9,104.80	2,788.98	1,287.56	13,765.15	1,514.48	356.07	1,158.41	220	100
9	Gramos Chemicals India Private Limited \$	17.11.17		INR	48.00	1,017.10	1,182.72	117.62	441.93	807.51	335.59	55.09	280.50	-	100
10	Phiroze Seifna Private Limited	17.11.17		INR	4.00	1,111.07	1,586.30	471.23	599.43	1,591.13	(8.41)	(32.60)	24.19	-	100

\$ Step-down subsidiary company of Your Company.

**Malaysia Ringgit - 1 RM = INR 17.66 as on 31.03.2021.

1. Name of Subsidiaries which are yet to commence operations: Chembond Water Technologies (Thailand) Company Limited, a step-down subsidiary of your Company is yet to commence operations.

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

On behalf of the Board

Sameer V. Shah

Chairman and Managing Director

Nirmal V. Shah

VC and Managing Director

Mumbai**15th May, 2021**

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	14.78 : 1
Nirmal V. Shah	Vice Chairman and Managing Director	8.16 : 1

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

Name	Designation	% increase
Sameer V. Shah#	Chairman and Managing Director	34.6*
Nirmal V. Shah#	Vice Chairman and Managing Director	0.30
Rashmi S. Gavli ^	Chief Financial Officer	Nil
Suchita Singh ^	Company Secretary	Nil

* Reinstated Salary which was drawn from CCL in FY 2018-19.

Due to the Covid Pandemic the Managing Directors took voluntary deduction of 25% of their remuneration for the period from Apr-Aug 2020.

^ Due to Covid Pandemic no increments were given during the year.

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

d) The number of permanent employees: 107

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:

During the year under review no increments were given due to the Covid Pandemic. There was nominal increase in the remuneration of Managing Directors as per the terms of their appointment. Further the Managing Directors had taken voluntary deduction of 25% in their remuneration from Apr-Aug 2020.

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

On behalf of the Board

Sameer V. Shah
Chairman and Managing Director

Nirmal V. Shah
VC and Managing Director

Mumbai
15th May, 2021

Annexure 4
CERTIFICATE OF CORPORATE GOVERNANCE

To,

The Members of the Chembond Chemicals Limited

I have examined the compliance of Corporate Governance by the Chembond Chemicals Limited ('the Company') for the year ended 31st March, 2021, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the year ended 31st March, 2021.

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.

Virendra G. Bhatt
Practicing Company Secretary
ACS No.: 1157 / COP No.: 124
Peer Review Cert. No.: 491/2016

Place: Mumbai

Date: 15th May, 2021

UDIN: A001157C000313964

Note:

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

Annexure 5

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2020-21 [Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company :

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

2. Composition of CSR Committee:

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

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

The web links are as follows:

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

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

Not Applicable

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

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

6. Average net profit of the Company as per Section 135(5) : ₹ 572.64 lakhs

7. (a) Two percent of average net profit of the Company as per Section 135(5) : ₹ 11.45 lakhs
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 (c) Amount required to be set off for the financial year, if any: Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 11.45 lakhs
8. (a) CSR amount spent or unspent for the financial year:

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

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

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

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

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in lakhs)	Mode of implementation-Direct (Yes/No)	Mode of implementation-Through implementing agency	
				State	District			Name	CSR Registration number
1.	Promotion of Education, Women empowerment and vocational training	(ii), (iii) and (vii)	Yes	Maha-rashtra	Palghar	9.63	No	Visan Trust	Registration in progress
2.	Covid support-PM cares fund	(viii)	Yes	PAN India		1.82	No	PM CARES Fund	NA
TOTAL						11.45			

- (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) : ₹11.45 lakhs
 (g) Excess amount for set off, if any:

(₹ in lakhs)

Sr. No.	Particular	Amount (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	11.45
(ii)	Total amount spent for the Financial Year	11.45
(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 setoff in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of unspent CSR amount for the preceding three financial years : NIL
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : NA
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) :
- (a) Date of creation or acquisition of the capital asset(s) : NA
 (b) Amount of CSR spent for creation or acquisition of capital asset : NA
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc : NA
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NA
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) : NA

Mumbai
 15th May, 2021

Sd/-
Sameer V. Shah
 Chairman & Managing Director

Sd/-
Nirmal V. Shah
 Chairman, CSR Committee

Annexure 6**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

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

(A) Conservation of Energy

- (i) The steps taken or impact on conservation of energy:
The Company continues measures to reduce energy consumption at its plants and offices by improving energy intensive manufacturing process.
- (ii) The steps taken by the Company for utilizing alternate sources of energy:
The Company has installed solar power systems at its head office.
- (iii) The capital investment on energy conservation equipment: Nil

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

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

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

In view of the measures taken by the Company, the consumption of energy reduced by satisfactory levels.

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

The details of technology imported:

The year of import:

Whether the technology has been fully absorbed:

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

NA

(iv) The expenditure incurred on Research & Development

(₹ in lakhs)

Particulars	2020-21	2019-20
Revenue Expenditure	86.79	104.21
Capital Expenditure	3.74	56.36
Total	90.53	160.57

(C) Foreign Exchange Earnings and Outgo:

(₹ in lakhs)

Particulars	2020-21	2019-20
Total Foreign Exchange Earned in terms of actual inflows	14.51	79.11
Total Foreign Exchange Outgo in terms of actual outflows	184.82	515.66

On behalf of the Board

Sameer V. Shah

Chairman and Managing Director

Nirmal V. Shah

VC and Managing Director

Mumbai

15th May, 2021

Annexure 7 Business Responsibility Report

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L24100MH1975PLC018235
2. Name of the Company: Chembond Chemicals Limited
3. Registered address: Chembond Centre, EL 71, MIDC, Mahape, Navi Mumbai, Maharashtra – 400710
4. Website: www.chembondindia.com
5. E-mail id: cs@chembondindia.com
6. Financial Year reported: 1st April, 2020 to 31st March, 2021
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

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

8. List three key products/services that the Company manufactures/provides (as in balance sheet): Specialty Chemicals
9. Total number of locations where business activity is undertaken by the Company:
 - a) Number of International Locations: 1 (Malaysia)
 - b) Number of National Locations:
 - Manufacturing Facilities: 8
 - R&D Centre: 2
 - Depot: 3
 - Offices: 6
10. Markets served by the Company: National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital: ₹672.41 lakhs
2. Total Turnover (Gross): ₹4,203.69 lakhs
3. Total Profit after Taxes: ₹967.32 lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%): 1.18%

5. List of Activities in which expenditure in 4 as above has been incurred:

- a) A Children's Centre has been established in Village Psthall and Shigaon near Tarapur which provides education to economically underserved sections, especially girls.
- b) Women empowerment and Vocational training.
- c) Camps and workshops in the areas of health care, life skills etc.
- d) Contribution to PM CARES fund for Covid support.

SECTION C: OTHER DETAILS

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

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

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

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

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

Details of compliance (Reply Y/N):

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

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

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

3. Governance related to BR

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

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business Ethics, Transparency and Accountability

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

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

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. During FY 2020-21

Nil complaints were received from shareholders / whistle blowers.

Principle 2: Product Responsibility

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company recycles > 95% packing material at all plants directly or through a sub-contractor.

100% food waste is composted at the plant and used in landscape fertilization.

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

Principle 3: Employee Welfare

1. Please indicate the Total number of employees: 107
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: Nil
3. Please indicate the Number of permanent women employees. 11

4. Please indicate the Number of permanent employees with disabilities: Nil

5. Do you have an employee association that is recognized by management: No

6. What percentage of your permanent employees is members of this recognized employee association? NA

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- a. Permanent Employees – 86.5%
- b. Permanent Women Employees – 84%
- c. Casual/Temporary/Contractual Employees – 82%
- d. Employees with Disabilities - Nil

Principle 4: Stakeholders Engagement

1. Has the Company mapped its internal and external stakeholders? - Yes

2. Out of the above, has the Company identified disadvantaged, vulnerable & marginalized stakeholders - Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

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

Principle 5: Human Rights

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

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

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

Nil complaints were received in the period under review.

Principle 6: Safety, Health and Environment

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

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

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. - No

3. Does the Company identify and assess potential environmental risks? - Yes, the Company has an ISO 14001 certification and conducts Environmental Impact Assessments.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? - No

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc

Yes, the Company generates and uses electricity from a captive 285KW rooftop solar power unit at its Registered Office.

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

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

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

Principle 7: Policy Advocacy

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

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

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

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

Principle 8: Corporate Social Responsibility

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

Yes, Company has its own programmes/initiatives/projects. Some of them are Children's Centre providing education to economically undeserved sections, specially girls, Women Empowerment and Vocational Training.

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

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

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

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

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

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

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

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

Principle 9: Customer Centric

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

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

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

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

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

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

For and on behalf of the Board

Sameer V. Shah
Chairman and Managing Director

Place: Mumbai
Date: 15th May, 2021

Report on Corporate Governance

The detailed report on Corporate Governance for the financial year ended 31st March, 2021 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 of Directors of the Company comprises of a fair combination of Executive, Non-executive and Independent Directors with diverse professional background complying with the provisions of the Companies Act, 2013(the Act) and the Listing Regulations.

a) The composition of the Board as on 31st March, 2021 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 st March 2021				Directorship in other listed entity (Category of Directorship)
			Held	Attended		Board Directorship **	Board Chairmanship **	Committee Memberships ***	Committee Chairmanships***	
Sameer V. Shah (DIN:00105721)	PD	ED / NID	5	5	Yes	13	-	-	-	-
Nirmal V. Shah (DIN:00083853)	PD	ED / NID	5	5	Yes	12	-	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	4	-	1	-	-
Sushil U. Lakhani (DIN:01578957)	NPD	NED / ID	5	5	Yes	2	-	-	-	-
Saraswati Sankar (DIN:07133249)	NPD	NED / ID	5	4	Yes	1	-	-	-	-
Prakash D. Trivedi (DIN:00231288)	NPD	NED / ID	5	4	Yes	2	-	-	-	-

* 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 & 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 of 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	28-May-20	11-Jul-20	07-Nov-20	16-Jan-21	23-Feb-21
Board Strength	7	7	7	7	7
No. of Directors Present	7	7	7	7	5

c) Skill Matrix of the Board of Directors

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

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

d) Separate meeting of Independent Directors

In accordance with the provisions of Schedule IV of the Listing Regulations a separate meeting of the Independent Directors was held during the year on 9th February, 2021 for transacting stipulated business. The meeting chaired by Mr. Mahendra K. Ghelani was attended by Mr. Sushil U. Lakhani, Dr. Prakash D. Trivedi and Mrs. Saraswati Sankar. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and the evaluation of the Members of Board.

e) Independent Directors confirmation by the Board

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

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 2020-21 Company organized two in-house familiarization programs for the Independent Directors. The details of such Familiarization Programme for Independent Directors are disclosed on the website of the Company i.e. www.chembondindia.com.

h) Details of Directors being re-appointed

Mr. Ashwin R. Nagarwadia (DIN: 00466681), Non-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 / eligible for re-appointment along with the additional information required under Regulation 36 (3) of the Listing Regulations has been provided at the end of this report.

i) Code of Conduct

The Board has laid down a code of conduct for all the Members of the Board and senior management of the Company which is also posted on the Company's website at www.chembondindia.com. All Board Members and senior management have complied with the code of conduct for the year ended 31st March, 2021. The Annual Report contains a declaration to this effect signed by the Chairman and Managing Director.

Audit Committee

A. Powers of Audit Committee:

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

B. Role / Terms of Reference:

I. The role of the Audit Committee includes the following:

- i. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. recommendation for appointment, remuneration and terms of appointment of auditors;
- iii. approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
- iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of Clause (c) of sub-section (3) of Section 134 of the Act;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;

(c) major accounting entries involving estimates based on the exercise of judgment by management;

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

v. reviewing, with the management, the quarterly financial statements before submission to the board for approval;

vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

vii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii. approval or any subsequent modification of transactions of the Company with related parties;

ix. scrutiny of inter-corporate loans and investments;

x. valuation of undertakings or assets of the Company, wherever it is necessary;

xi. evaluation of internal financial controls and risk management systems;

xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii. reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. discussion with internal auditors of any significant findings and follow up there on;

xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is

suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii. to review the functioning of the whistle blower mechanism;

xix. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

xx. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.

xxi. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder :

xxii. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

II. The Audit Committee shall mandatorily review the following information:

i management discussion and analysis of financial condition and results of operations;

ii. statement of significant related party transactions (as defined by the audit committee), submitted by management;

iii. management letters / letters of internal control weaknesses issued by the statutory auditors;

iv. internal audit reports relating to internal control weaknesses;

v. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

vi. statement of deviations:

a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

b. annual statement of funds utilized for purposes other than those stated in the offer document /prospectus / notice in terms of Regulation 32(7) of the Listing Regulations.

C. Composition of Audit Committee and attendance of Members:

Name of the Member	Designation	Meetings / Attendance			
		28-May-20	11-Jul-20	07-Nov-20	16-Jan-21
Mahendra K. Ghelani	Chairman	P	P	P	P
Sushil U. Lakhani	Member	P	P	P	P
Saraswati Sankar	Member	P	A	P	P
Nirmal V. Shah	Member	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 45th AGM of the Company held on 31st July, 2020.

Nomination and Remuneration Committee

a. Role / Terms of Reference:

i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other Employees;

ii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

iii. Devising a policy on diversity of Board of Directors;

iv. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

v. Whether to extend or continue the term of appointment of the Independent Director, based on the report of performance evaluation of Independent Directors;

vi. Providing of the following information to the shareholders in case of appointment of new Director or reappointment of a Director:

a. Brief resume of the Director;

b. Nature of expertise in specific functional areas;

c. Disclosure of relationships between Directors inter-se;

d. Names of listed entities in which the person also holds the Directorship and the Membership of Committees of the Board; and

e. Shareholding of Non-Executive Directors.

vii. Providing of General shareholder information in the Annual Report;

viii. Review of HR Policies / Initiatives & senior level appointments;

ix. Administer and supervise Employees Stock Option Schemes including allotment of shares arising out of conversion of Employee Stock Option Scheme(s) or under any other Employee Compensation Scheme;

x. Frame suitable Policies and systems for implementation, take appropriate decisions and monitor implementation of the following Regulations:

a. SEBI (Prohibition of Insider Trading) Regulations, 2015; and

b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

xi. recommend to the board, all remuneration, in whatever form, payable to senior management.

xii. Perform such other functions consistent with regulatory requirements.

b. Composition as on 31st March, 2021 of Nomination and Remuneration Committee (NRC) and Attendance of Members:

Name of the Member	Designation	No. of meetings attended	
		28-May-20	16-Jan-21
Mahendra K. Ghelani	Chairman	P	P
Ashwin R. Nagarwadia	Member	P	P
Saraswati Sankar	Member	P	A
Sushil U. Lakhani	Member	P	P
Sameer V. Shah	Member	P	P

P – Present, A - Absent

Mr. Mahendra K. Ghelani, Chairman of the Nomination and Remuneration Committee attended the 45th AGM of the Company held on 31st July, 2020.

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 Regulation.
- While nominating any person to be appointed as an ID, the Committee should satisfy itself that the person gives a declaration as prescribed under the Act declaring that he/she meets the criterion of independence prescribed under the Act and Listing Regulation.

Remuneration of Directors:

i. Remuneration to Directors:

(₹ in lakhs)

Name of Director	Basic	Perquisites / Allowances	Bonus	Incentive / Commission*	Sitting Fees	Total @	Service Contract / Notice Period / Severance Fees / Pension	No. of shares held as on 31-Mar-21
a. Executive Directors								
Sameer V. Shah	30.75	32.50	6.15	-	NA	69.40 ^	Not liable to retire by rotation	1,609,661
Nirmal V. Shah	18.39	16.23	3.67	-	NA	38.30	Retirement by rotation	1,709,092
b. Non-Executive Directors								
Ashwin R. Nagarwadia**	-	-	-	-	3.16	3.16	Retirement by rotation	500,000
Mahendra K. Ghelani	-	-	-	-	3.13#	3.13	\$	-
Sushil U. Lakhani	-	-	-	-	1.78#	1.78	\$	-
Saraswati Sankar	-	-	-	-	0.88	0.88	\$	-
Prakash D. Trivedi	-	-	-	-	0.44#	0.44	\$	-

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

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

@ Due to the Covid-19 Pandemic, the Directors had taken a voluntary deduction of 25% of their remuneration / sitting fees from April – August, 2020.

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

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

^ Also includes contribution to Super Annuation Fund.

Note: 1. Currently, the Company does not have any Stock Option plan(s) / scheme(s).

2. Apart from the above, the Company does not have any other pecuniary relationship or transactions with the Directors.

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 <http://www.chembondindia.com/policy.html>

- Sitting fee, reimbursement of expenses and profit related commission:

A Director is eligible to receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof as per Section 197(5) of the Act.

Independent Director shall be eligible for reimbursement of expenses, if any, for participation in the Board and other meetings and profit related commission as may be approved.

• Stock Options:

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

Stakeholders' Relationship Committee

The constitution of Stakeholders' Relationship Committee as of 31st March, 2021 is as follows:

Name of the Member	Designation	No. of meetings held	No. of meetings attended
Mahendra K. Ghelani	Chairman	4	4
Ashwin R. Nagarwadia	Member	4	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 45th AGM of the Company held on 31st July, 2020.

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 exclusively for the purpose of registering complaints by investors electronically.

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

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

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	2
Sameer V. Shah	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 Committee)

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 31st March, 2021 of Risk Management Committee and Attendance of Members:

Name of the Member	Designation	Meetings/ Attendance		
		8 Jun 2020	16 Jan 2021	9 Feb 2021
Sameer V. Shah	Chairman	P	P	P
Ashwin R. Nagarwadia	Member	P	A	A
Mahendra K. Ghelani	Member	P	P	P
Sushil U. Lakhani	Member	P	P	P

C. Executive Committee (Non – Mandatory Committee)

The composition of Executive Committee is as detailed below:

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

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

D. Investment Committee (Non – Mandatory Committee)

The composition of Investment Committee is as detailed below:

Name of the Member	Designation	No. of meetings held	No. of meetings attended
Sameer V. Shah	Chairman	3	3
Ashwin R. Nagarwadia	Member	3	3
Mahendra K. Ghelani	Member	3	3
Nirmal V. Shah	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 is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company has a Vigil Mechanism & Whistle Blower Policy which encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) Mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policies. The Audit Committee of the Company oversees the vigil mechanism. The policy on vigil mechanism & whistle blower policy can be accessed on the Company's website

<http://www.chembondindia.com/Investors/Policy/VigilMechanism&WhistleBlowerPolicy>.

Subsidiary and Step Down Subsidiary Companies

The Company has 7 subsidiaries and three step down subsidiaries namely :

- i Chembond Biosciences Limited
- ii. Chembond Calvatis Industrial Hygiene Systems Ltd
- iii. Chembond Distribution Limited

- iv. Chembond Material Technologies Private Limited
- v. Chembond Polymers and Materials Limited
- vi. Chembond Water Technologies Limited
- vii. Phiroze Sethna Private Limited

Step-down subsidiaries

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

Note: During the year under review Chembond Water Technologies (Thailand) Company Limited became a WOS of the Chembond Water Technologies Limited and SDS of your Company. It is yet to commence business.

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

General Body Meetings

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

YEAR	AGM / EGM	LOCATION	DATE TIME	SPECIAL RESOLUTION(S) PASSED
2018	AGM	EL-37, Chembond Centre, Mahape, MIDC, Navi Mumbai 400 710.	11.08.2018 2.30 p.m.	NA
2019	Postal Ballot	Navi Mumbai	25.03.2019 -	1) Continuation of Directorship of Mr. Ashwin Nagarwadia (DIN: 00466681) beyond the age of 75 years. 2) Alteration in the Memorandum of Association. 3) Adoption of new Articles of Association
2019	AGM		03.08.2019 2.30 p.m	1) Continuation of Directorship of Mr. Ashwin Nagarwadia (DIN: 00466681) beyond the age of 75 years. 2) Re-appointment of Mr. Mahendra K. Ghelani (DIN: 01108297) as an Independent Director. 3) Continuation of Directorship of Mr. Mahendra K. Ghelani (DIN: 01108297) beyond the age of 75 years. 4) Re-appointment of Mr. Sushil U. Lakhani (DIN: 01578957) as an Independent Director. 5) Re-appointment of Mrs. Saraswati Sankar (DIN: 07133249) as an Independent Director. 6) Re-appointment of Dr. Prakash D. Trivedi (DIN: 00231288) as an Independent Director. 7) Re-appointment of Mr. Sameer V. Shah (DIN:00105721) as the Chairman and Managing Director for a period of 3 years. 8) Re-appointment of Mr. Nirmal V. Shah (DIN:00083853) as the Vice Chairman and Managing Director for a period of 3 years.

2020	AGM	Through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM")	31.07.2020 3.30 p.m.	1) Continuation of Directorship of Dr. Prakash D. Trivedi (DIN: 00231288) beyond the age of 75 years as an Independent Director.
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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.

Means of Communication

a. Quarterly Financial Results

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

b. Publication of Quarterly Financial Results

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

c. Website where displayed

The results are also displayed on the website of the Company at www.chembondindia.com and uploaded on the website of BSE Limited and NSE Limited.

d. Whether it also displays official news releases

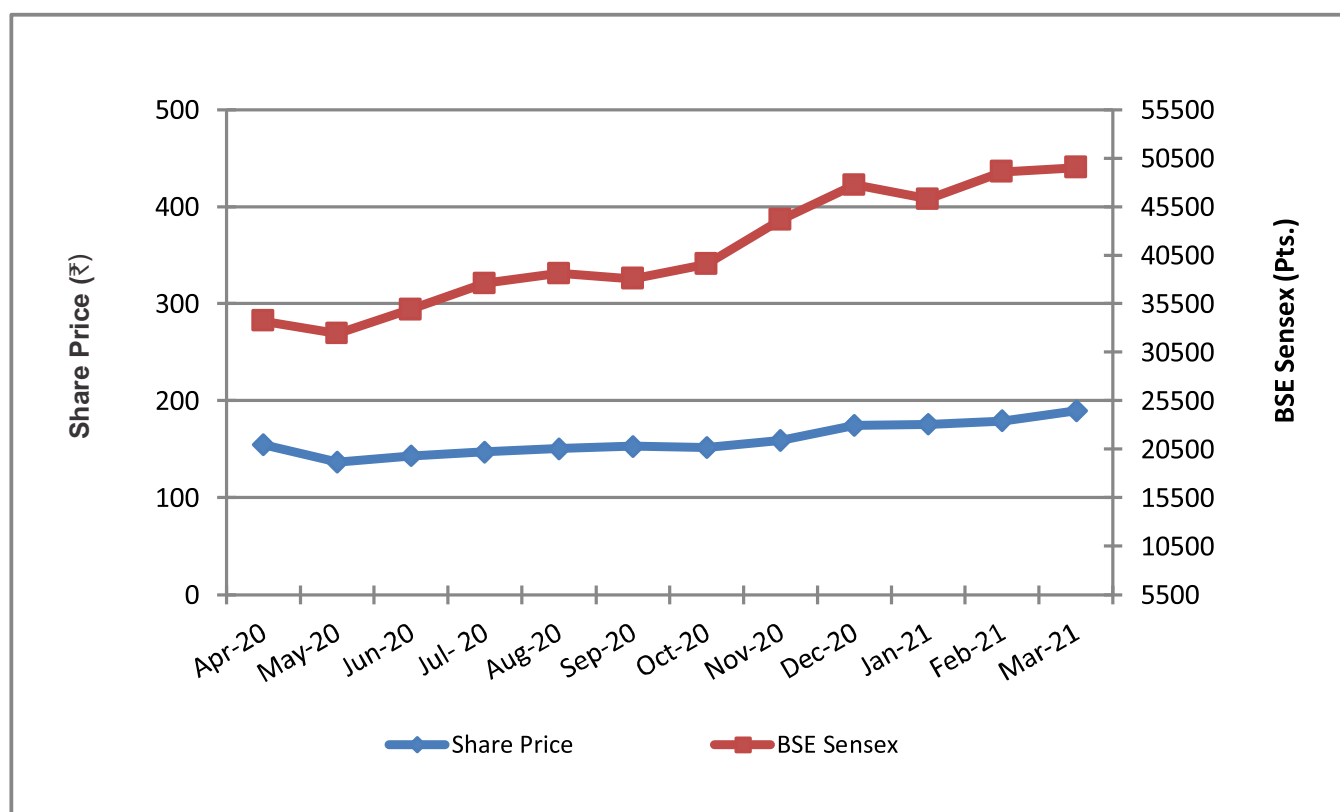
Press Release, if any, made by the Company from time to time are also displayed on the Company's website and uploaded on the website of BSE Limited and NSE Limited.

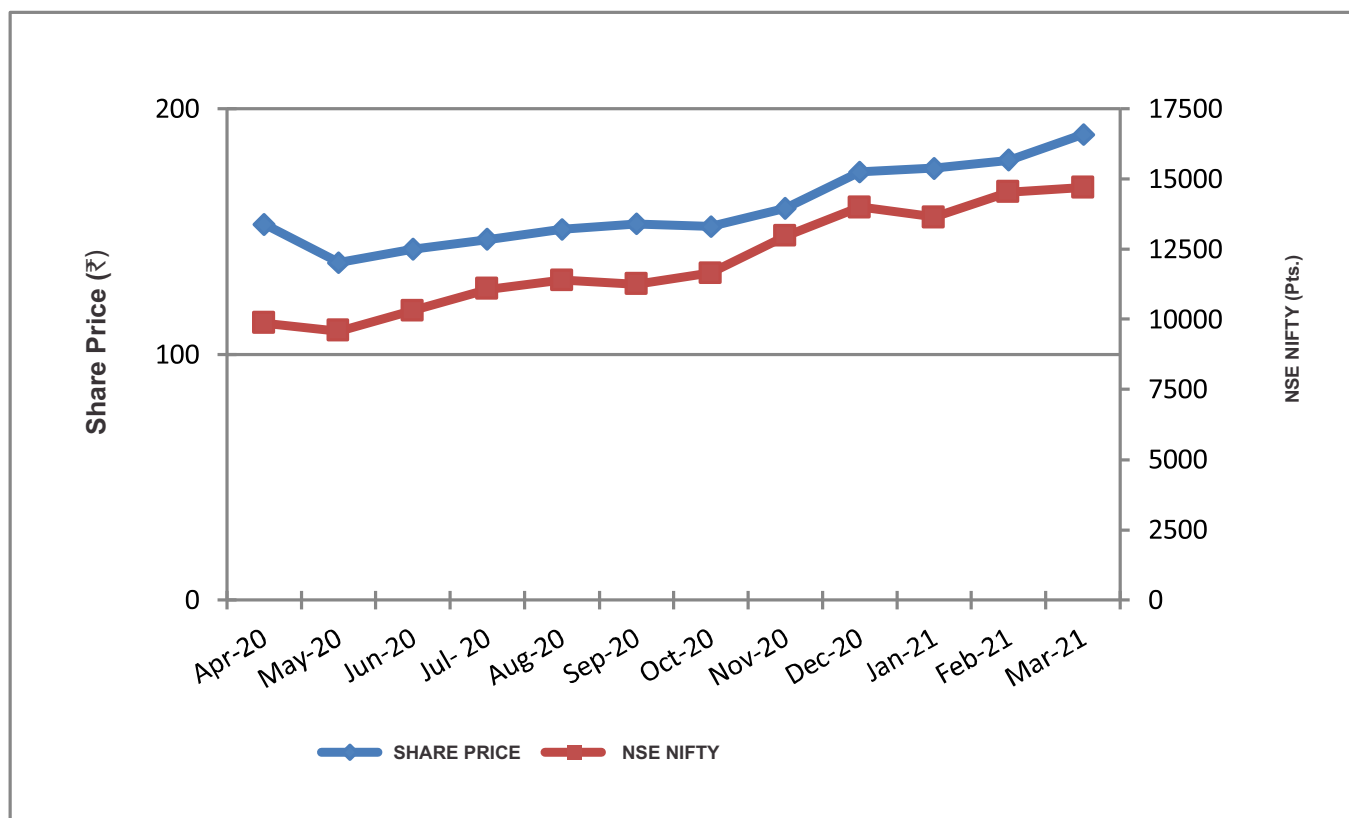
General Shareholders Information

a.	Corporate Identification Number (CIN)	L24100MH1975PLC018235					
b.	Date, Time & Venue of Annual General Meeting (AGM).	Friday, 23 rd July, 2021 at 3.30 pm. The Company is conducting meeting through VC / OAVM pursuant to the MCA, hence there is no requirement to have a venue for the AGM. For more details please refer to the Notice of this AGM.					
c.	Financial Year	The Financial Year covers the period from 1 st April, 2021 to 31 st March, 2022.					
d.	Financial Calendar for 2021-2022 (tentative & subject to change)	Financial Reporting for the quarter ending 30.06.2021 on or before 14 th August, 2021 30.09.2021 on or before 14 th November, 2021 1.12.2021 on or before 14 th February, 2022 31.03.2022 on or before 30 th May, 2022					
e.	Dividend Payment date	Final dividend, if declared shall be paid / credited on or after Tuesday 27 th July, 2021					
f.	Listing on Stock Exchange Stock Exchange Address ISIN Confirmation about payment of Annual Listing fee to Stock Exchanges	BSE Limited P. J. Towers, Dalal Street, Fort, Mumbai – 400 001. Stock Code - 530871 National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Mumbai-400051. Stock Code - CHEMBOND INE995D01025 Listing fees paid for FY 2021-22.					
g.	Market Price data	BSE			NSE		
	Month	High ₹	Low ₹	Volume (No. of shares)	High ₹	Low ₹	Volume (No. of shares)
	April 2020	176.95	117.05	9,461	156.00	148.95	59,701
	May 2020	184.80	135.95	83,947	143.50	130.25	1,193,657
	June 2020	160.00	130.05	89,260	148.00	142.55	627,311
	July 2020	163.70	134.80	120,930	150.45	146.00	781,840
	August 2020	176.10	141.20	98,745	170.05	150.05	627,430
	September 2020	170.90	148.25	55,687	154.50	150.25	332,592
	October 2020	166.00	135.10	44,929	152.80	150.05	386,092
	November 2020	173.00	147.95	48,815	160.00	154.05	327,934
	December 2020	194.00	155.90	149,667	181.70	172.70	766,141
	January 2021	223.45	172.15	268,472	184.60	175.10	1,956,683
	February 2021	197.10	171.00	84,815	182.50	177.00	356,131
	March 2021	218.00	175.35	177,013	191.85	186.00	798,597

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 2020	155.00	153.00	33,717.62	9,859.90
May 2020	136.85	137.35	32,424.10	9,580.30
June 2020	143.20	142.90	34,915.80	10,302.10
July 2020	147.40	146.75	37,606.89	11,073.45
August 2020	150.75	150.95	38,628.29	11,387.50
September 2020	152.85	153.05	38,067.93	11,247.55
October 2020	152.00	152.00	39,614.07	11,642.40
November 2020	159.15	159.35	44,149.72	12,968.95
December 2020	174.90	174.25	47,751.33	13,981.75
January 2021	175.95	175.75	46,285.77	13,634.60
February 2021	179.50	179.00	49,099.99	14,529.15
March 2021	189.90	189.50	49,509.15	14,690.70





i.	Registrar and Share Transfer Agent	<p>TSR Darashaw Consultants Private Limited (TCPL) (formerly known as TSR Darashaw Limited) C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400 083. E-mail : csg-unit@tcplindia.co.in Web : www.tcplindia.co.in</p> <p>The registered address of TCPL has changed from 6, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 to the abovementioned address.</p>
j.	Share Transfer System	<p>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 half 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.</p>

Distribution of shareholding as on 31st March, 2021.

Distribution of shares according to size of holding

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding
1 - 2000	5705	93.92	1,403,744	10.44
2001 – 3000	89	1.47	225,676	1.68
3001 – 4000	66	1.09	236,552	1.76
4001 – 5000	34	0.56	156,449	1.16
5001- 10000	89	1.47	659,471	4.90
10001 – 20000	30	0.49	422,231	3.14
20001 – 30000	17	0.28	406,033	3.02
30001 – 40000	10	0.16	339,492	2.52
40001 – 50000	10	0.16	452,124	3.36
50001 – 100000	9	0.15	671,990	5.00
100001 & above	15	0.25	8,474,526	63.02
Total	6074	100.00	13,448,288	100.00

Distribution of Shares by categories of shareholders:

Category of Shareholding as of 31 st March, 2021	No. of Shares	% of total shares
Promoters & their relatives	8,860,368	65.88
Banks/ FIs/Insurance Co. (Central/ State Govt./ Non- Govt. Institutions)	47,600	0.35
Corporate Bodies	468,748	3.49
NRIs/OCBs	130,295	0.97
IEPF Account	31,204	0.23
FPI-CORPS	0	0.00
Indian Public	3,910,073	29.07
Total	13,448,288	100.00

Top 10 Shareholders:

Sr. No.	Name of the Shareholder	Category	No. of Shares	% of shareholding
1	Ajay Chinubhai Laloo	Individual	225,164	1.67
2	Girish Gulati (Huf)	HUF	222,891	1.66
3	Awriga Capital Advisors Llp	LLP	80,000	0.59
4	Ara Trusteeship Company Pvt. Ltd.	Body Corporate	70,403	0.52
5	Narotam S. Sekhsaria	Individual	50,000	0.37
6	Nalini Sekhsaria	Individual	50,000	0.37
7	Nritya A. Laloo	Individual	49,520	0.37
8	Dena Bank	Financial Institution	47,600	0.35
9	Ara Trusteeship Company Pvt. Ltd.	Body Corporate	47,086	0.35
10	Nayan Arvind Shah	Individual	44,692	0.33

Dematerialization of shares and liquidity	The shares of the Company are actively traded on BSE Limited and NSE Limited. Trading of shares is permitted only in dematerialized form. As of 31 st March, 2021, 13,213,044 equity shares are held in Demat form i.e. 98.25% of the total share capital.
Details about the outstanding Global Depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any ADR / GDR.
Commodity price risk or foreign exchange risk and hedging activities	During the year ended 31 st March 2021, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Notes to the Standalone and Consolidated financial statements.
Plant Locations	1) Plot No. E-6/3 & 4, MIDC Tarapur, Maharashtra 401 506. 2) Khasra 177/2, Village Theda, Himachal Pradesh 174 101. 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) Plot No. A-101, Road No. 16, Wagle Esate, Thane 400604. 7) Unit no. 2, Gat no. 226, Alandi Markal Road, Pune. 8) A – 737/5, MIDC, Mahape, Navi Mumbai 400710.
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: www.chembondindia.com Email for Investor Grievance: cs@chembondindia.com
Credit Ratings	Total Bank Loan – 19 Crore Long term Rating – CRISIL A- /Stable (Reaffirmed) Short term Rating – CRISIL A1 (Reaffirmed)

Other Disclosures

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

The Audit Committee of the Company has granted omnibus approval to the related party transactions and the company does not have related party transactions which have or may have potential conflict with the interest of entity at large. The Company has a Related Party Transaction Policy in place, which has been posted on the website of the Company at

<http://www.chembondindia.com/investors/Policy>. The necessary disclosures regarding the transactions with Related Parties are given in the notes to the Accounts. None of these transactions have potential conflict with the interest of the Company at large.

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

There was no such instance in the last 3 years.

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

The Company has adopted Vigil Mechanism & Whistle Blower Policy and the same is available on the website of the Company i.e.

<http://www.chembondindia.com/investors/Policy>. During the year there were no instances and no personnel

have been denied access to the Audit Committee.

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

The Company confirms that it has complied with all mandatory requirements prescribed in the Listing Regulations for the FY 2020-21. 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 (CEO) and the Chief Financial Officer (CFO) have issued a certificate to the Board for the year ended 31st March, 2021.

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

<http://www.chembondindia.com/policy.html>

f. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

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

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

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

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

No such disclosure.

i. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part ₹23.86 lakhs for F.Y. 2020-21.

j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and

Redressal) Act, 2013.

a. Number of complaints filed during the financial year - 0

b. Number of complaints disposed off during the financial year - 0

c. Number of complaints pending as on end of the financial year - 0.

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

There is no non-compliance with any requirement of Corporate Governance Report of sub-para (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.

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 30th September, 2020, were published in The Free Press Journal and Nav Shakti newspapers and were also displayed on the website of the Company www.chembondindia.com and disseminated to BSE Limited and NSE Limited where its equity shares are listed, hence separately not circulated to shareholders.

iii) Audit Qualifications

There is no audit qualification.

iv) Reporting of Internal Auditors

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

Legal Proceedings

As on 31st March, 2021 there are no pending cases against the Company, in any courts and hence no contingent liability has been provided.

Unpaid / Unclaimed Dividend

Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), both of which were applicable with effect from September 7, 2016, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be

transferred by the Company to the Investor Education and Protection Fund (IEPF), established by the Central Government.

The Company has issued reminders to all such shareholders in respect of the Unclaimed / Unpaid Dividend for the FY 2013-14 whose dividends remain unclaimed, as is customarily sent by the Company every year, before crediting the balance Unclaimed Dividend Amount to the IEPF. A statement showing the year / month(s) in which unpaid/unclaimed dividend(s) is / are due for transfer to the IEPF is given below:

Dividend Particulars	Rate ₹	Date of Declaration	Due Date for Transfer to IEPF
FY 2013 - 14	3.00	09/08/2014	08/09/2021
FY 2014 - 15	3.00	08/08/2015	07/09/2022
FY 2015 - 16 (Interim)	6.00	05/11/2015	04/12/2022
FY 2015 - 16 (Interim)	3.00	10/03/2016	09/04/2023
FY 2016 - 17	1.65	24/06/2017	23/07/2024
FY 2017 - 18	1.85	11/08/2018	10/09/2025
FY 2018 - 19	2.00	03/08/2019	02/09/2026
FY 2019 - 20 (Interim)	2.00	05/03/2020	04/04/2027

Equity Shares in Suspense Account

There are no shares in Suspense account.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

Chembond Chemicals Limited

Plot No.: EL-71, Chembond Centre,
MIDC, Mahape, Navi Mumbai- 400710.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Chembond Chemicals Limited** having CIN: L24100MH1975PLC018235 and having registered office at Plot No.: EL-71, Chembond Centre, MIDC, Mahape, Navi Mumbai- 400710 (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) 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 31st March, 2021 have been disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

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

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

Date: 20th April, 2021

Place: Mumbai

UDIN: A001157C000136182

Virendra G. Bhatt
Practicing Company Secretary
ACS No.: 1157 / COP No.: 124

Note:

Due to prevailing conditions owing to COVID - 19, I am unable to verify the information physically, therefore I rely on the information provided by the Company in electronic mode.

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 31st March, 2021.

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

Place : Mumbai

Date : 15th May, 2021

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

Mr. Ashwin R. Nagarwadia – Non-executive Director is liable to retire by rotation and being eligible offers himself for re-appointment.

Name of Director	Mr. Ashwin R. Nagarwadia
DIN	00466681
Date of Birth/ Age	20 th September, 1937/ 83 Years
Date of Appointment / last re-appointment	3 rd Aug, 2019
Expertise in specific functional area	Wide experience in Engineering and Manufacturing Industry
Qualification	B. Sc. M.E. - Mechanical Engineering
No. of Shares held in the Company	5,00,000
Directorships held in other Companies	Hitech Insurance Broking Services Ltd., Finor Piplaj Chemicals Ltd., Rayirth Holding and Trading Company Pvt. Ltd., Canes Venatici Trading Pvt. Ltd., Sattva Holding and Trading Company Pvt. Ltd., CCL Optoelectronics Private Ltd., Paladin Paints and Chemicals Private Limited
Chairperson / Members of the Committee of the Board of Directors of the Company	Member of Corporate Social Responsibility Committee, Member of Nomination and Remuneration Committee, and Member of Stakeholders Relationship Committee
Chairman / Member of the Committee of the Board of Directors of other public Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil
Brief Resume	Mr. Ashwin Nagarwadia is a Technocrat and having wide experience in manufacturing industry. He has held various senior positions in reputed organisations and was Chairman and Managing Director of Ingersoll Rand (India) Ltd. before his retirement. He has a rich and wide managerial experience.
No. of Board Meetings attended during F.Y. 2020-21	5
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil

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 2021, the standalone statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity, the standalone statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's

Responsibilities for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Emphasis of Matter – Effects of COVID-19

We draw attention to Note 42 in the standalone financial statements, which describes the uncertainties and the impact of the Covid-19 pandemic on the Company's operations and financial statements as assessed by the management. The actual financial impact may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matters	Auditor's Responses
<p>Contingent liabilities for tax matters</p> <p>The Company has disclosed in Note 41 to the standalone financial statements the contingent liabilities as at 31st March, 2021 which includes disputed liabilities in respect of income tax and service tax matters.</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> <p>a) Obtained the summary of all disputed tax matters of the Company and assessed the management's position through discussions.</p> <p>b) Obtaining a detailed understanding of processes and controls of the Management with respect to disputed matters.</p> <p>c) Making corroborative inquiries with appropriate level of the management personnel including status update, expectation of outcomes with basis and future course of action contemplated by the Company and perusing legal opinions, if any, obtained by the management.</p> <p>d) Evaluating the evidences supporting the judgement of the management about the possible outcomes and the reasonableness of the estimates.</p> <p>e) Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.</p>

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. We have nothing to report in this regard.

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

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) 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.

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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion proper books of account as required by law relating to preparation of the standalone financial statements have been kept by the Company so far as it appears from our examination of those books;

c. The standalone balance sheet, the standalone statement of profit and loss (including Other Comprehensive Income), the standalone statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these standalone financial statements;

d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of

the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on 31st March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021, from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no. 41 to the standalone financial statements;

ii. the Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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 31st March, 2021 in accordance with the provisions of Section 197 of the Act.

For **Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063

Jatin A. Thakkar

Partner

Membership No.: 134767

Place : Mumbai

Date : 15th May, 2021

UDIN : 20134767AAAAAK9969

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, 2021)

Report on Companies (Auditor's Report) Order, 2016 ("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) In respect of Fixed Assets:

(a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As per the information and explanations given to us, some of the fixed assets of the Company have been physically verified during the year by the management in accordance with a phased program of verification designed to cover all assets 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. No material discrepancies were noticed on physical 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 as fixed assets in the standalone financial statements, the lease agreements are held in the name of the Company.

(ii) In respect of its Inventories:

As per the information and explanations given to us, the inventories have been physically verified during the year by the management. The intervals at which the inventories have been verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) The Company has granted unsecured loans to five subsidiary companies, covered in the register maintained under section 189 of the Companies Act, 2013.

(a) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) In our opinion and according to the information and explanations given to us, the payment of interest has been specified and the receipts are regular and loan is repayable on demand. Further, there is repayment of principal amount of loans during the year as demanded from time to time.

(c) In our opinion and according to the information and explanations given to us, no amount is overdue as the loans are repayable on demand.

(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 from the public during the year under sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, clause (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) In respect of statutory dues:

(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, 2021 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	0.29	FY 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	7.85	FY 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	5.04	FY 2016-17	Commissioner of Income Tax (Appeals)
Finance Act, 1994 (Service Tax)	Service Tax & Cess	278.95	FY 2014-15 to FY 2017-18 (Up to June 2017)	Dy. Commissioner (Audit)
Income Tax Act, 1961	Demands pending for rectification	6.78	FY 2006-07 and FY 2014-15	Assistant Commissioner of Income Tax Circle 6(2)(1), Central Processing Center Bengaluru
TOTAL		298.91		

(viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of accounts and the records of the Company, the Company has not defaulted in repayments of dues to the banks. The Company has not taken any loan or borrowings either from financial institutions or from the government and has not issued any debentures.

(ix) 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 initial public offer or further public offer (including debt instruments) or term loan during the year. Therefore, the clause (ix) of the aforesaid Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year, nor we have been informed of such case by the management.

(xi) On the basis of records of the Company examined by us and according to the information and explanations given to us, the managerial remuneration has been paid and / or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Bathiya & Associates LLP**
Chartered Accountants
Firm Registration No. 101046W / W100063

Jatin A. Thakkar
Partner
Membership No.: 134767
Place : Mumbai
Date : 15th May, 2021
UDIN : 20134767AAAAK9969

(xii) The Company is not a Nidhi company, hence the clause (xii) of the aforesaid Order is not applicable to the Company.

(xiii) On the basis of records of the Company examined by us and according to the information and explanations given to us, the Company has entered into all transactions with related parties in compliance with Section 177 and Section 188 of the Act, where applicable and the same is disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotments or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, clause (xiv) of the aforesaid Order is not applicable to the Company.

(xv) On the basis of records of the Company examined by us and according to the information and explanations given to us, we are of the opinion that the Company has not entered into any non-cash transactions with directors or persons connected with directors. Therefore, clause (xv) of the aforesaid Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence clause (xvi) of the aforesaid Order is not applicable to the Company.

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, 2021)

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, 2021 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.

For **Bathiya & Associates LLP**
Chartered Accountants
Firm Registration No. 101046W / W100063

Jatin A. Thakkar
Partner
Membership No.: 134767

Place : Mumbai
Date : 15th May, 2021

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, 2021, 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.

Standalone Balance Sheet as at 31st March 2021

	Notes	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
Assets			
Non-current assets			
(a) Property, Plant and Equipment	2	3,340.90	3,590.08
(b) Capital work-in-progress	2	42.90	21.96
(c) Other Intangible assets	2	30.99	40.35
(d) Financial Assets			
i) Investments	3	13,878.64	13,371.60
ii) Other financial assets	4	44.35	42.61
(e) Income tax asset (net)	5	271.78	198.89
(f) Other non-current assets	6	43.68	1.10
Total Non-current assets		17,653.24	17,266.58
Current Assets			
(a) Inventories	7	396.25	463.62
(b) Financial Assets			
i) Investments	8	3,058.68	2,433.64
ii) Trade receivables	9	1,841.41	1,697.76
iii) Cash and cash equivalents	10	87.33	5.94
iv) Bank balances other than (iii) above	11	93.01	92.62
v) Loans	12	1,818.59	1,711.04
vi) Other financial assets	13	31.86	31.61
(c) Current Tax (net)	14	13.32	75.30
(d) Other current assets	15	98.92	194.05
Total current assets		7,439.37	6,705.57
Total Assets		25,092.61	23,972.15
Equity and Liabilities			
Equity			
(a) Share capital	16	672.41	672.41
(b) Other equity	17	23,257.87	22,291.87
Total Equity		23,930.28	22,964.28
Non-Current Liabilities			
(a) Provisions	18	41.04	48.62
(b) Deferred tax liabilities (net)	19	122.21	91.31
Total Non-current liabilities		163.25	139.93
Current liabilities			
(a) Financial liabilities			
i) Trade payables			
Trade payables -MSMED	20	105.92	78.27
Trade payables -Others	20	633.32	550.83
ii) Other financial liabilities	21	183.86	187.98
(b) Other current liabilities	22	74.02	48.32
(c) Provisions	23	1.94	2.55
Total current liabilities		999.07	867.94
Total Equity and Liabilities		25,092.61	23,972.15
Significant Accounting Policies and Notes on Financial Statements	1-47		

As per our attached report of even date

On behalf of the Board of Directors

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

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

Sushil U. Lakhani
Director

Jatin A. Thakkar
Partner
Membership No. : 134767
Mumbai, 15th May 2021

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 15th May 2021

Suchita Singh
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2021

	Notes	2020-2021 (₹ in lakhs)	2019-2020 (₹ in lakhs)
Revenue From Operations	24	4,203.69	5,854.29
Other Income	25	1,191.20	655.81
Total Revenue		5,394.89	6,510.10
Expenses :			
Cost of Materials Consumed	26	1,623.20	2,819.91
Purchases of Stock-in-trade	27	208.73	258.42
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	28	63.81	141.64
Employee Benefits Expense	29	598.96	874.26
Finance Costs	30	7.11	7.80
Depreciation and Amortisation expense	31	280.46	279.84
Other Expenses	32	1,347.72	1,597.44
Total Expenses		4,129.99	5,979.29
Profit before Exceptional items and Tax		1,264.90	530.81
Exceptional Items		-	-
Profit before Tax		1,264.90	530.81
Current Tax		266.12	83.29
Deferred Tax		30.90	(104.75)
Short/Excess Provision		0.56	(1.90)
Total Tax Expenses		297.58	(23.36)
Profit for the Year		967.32	554.16
Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss		(1.65)	17.55
ii) Income Tax relating to items that will not be reclassified to profit or loss		0.34	(3.61)
2 i) Items that will be reclassified to profit or loss		-	-
ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income (1+2)		(1.31)	13.94
Total Comprehensive Income		966.01	568.10
Earning Per Equity Share of Face Value of ₹ 5 each	33		
Basic (in ₹)		7.18	4.12
Diluted (in ₹)		7.18	4.12
Significant Accounting Policies and Notes on Financial Statements	1-47		

As per our attached report of even date

On behalf of the Board of Directors

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

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

Sushil U. Lakhani
Director

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Partner
Membership No. : 134767
Mumbai, 15th May 2021

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 15th May 2021

Suchita Singh
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2021

(a) Equity share capital

	No. of Shares	(₹ in lakhs)
Balance as at 31 st March 2019	1,34,48,288	672.41
Changes in equity share capital	-	-
Balance as at 31 st March 2020	1,34,48,288	672.41
Changes in equity share capital	-	-
Balance as at 31 st March 2021	1,34,48,288	672.41

(b) Other Equity

Particulars	Reserves and Surplus				OCI	Total other equity
	General Reserve	Share Premium	Employees Shares Options Outstanding	Retained earnings	Remeasurements of the net defined benefit Plans	
Balance as at 31st March 2019	630.00	613.05	-	21,042.95	(3.55)	22,282.45
Profit for the year				554.16		554.16
Other comprehensive income for the year					13.94	13.94
Total Comprehensive Income	-	-	-	554.16	13.94	568.10
Interim Dividend Paid				268.97		268.97
Tax on Interim Dividend Paid				54.22		54.22
Dividend Paid				268.96		268.96
Tax on Dividend Paid				45.67		45.67
Set off of Dividend Tax in respect of Dividend from Subsidiary Company				(79.14)		(79.14)
Balance as at 31st March 2020	630.00	613.05	-	21,038.43	10.39	22,291.87
Profit for the year				967.32		967.32
Other comprehensive income for the year					(1.31)	(1.31)
Total Comprehensive Income	-	-	-	967.32	(1.31)	966.01
Dividend Paid				-		-
Tax on Dividend Paid				-		-
Set off of Dividend Tax in respect of Dividend from Subsidiary Company				-		-
Balance as at 31st March 2021	630.00	613.05	-	22,005.75	9.07	23,257.87

As per our attached report of even date

On behalf of the Board of Directors

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

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

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Director

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Partner
Membership No. : 134767
Mumbai, 15th May 2021

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 15th May 2021

Suchita Singh
Company Secretary

Cash Flow Statement for the year ended 31st March 2021

(₹ in Lakhs)

		2020-21		2019-20	
A	Cash Flow from Operating Activities				
	Profit before tax		1,264.90		530.81
	Adjustments for :				
	Depreciation and amortisation	280.46		279.84	
	Loss on Sale of Property,Plant & Equipment	5.06		-	
	Finance Cost	7.11		4.86	
	Less :		292.63		284.70
	Foreign Exchange Fluctuation	-		15.91	
	Net Gain on Investments	883.90		(15.23)	
	Profit on Sale of Property,Plant & Equipment	-		20.72	
	Dividend Received	3.84		442.83	
	Operating Profit before working capital changes		(887.74)		(464.23)
	Adjustments for :		669.79		351.27
	Trade and Other Receivables	(200.64)		559.22	
	Inventories	67.37		378.85	
	Trade and Other Payables	121.89		(924.45)	
	Cash generated from operations		(11.39)		13.62
	Income taxes paid (Net of Refund)		658.40		364.89
			(277.24)		(165.47)
	Net Cash from Operating Activities (A)		381.16		199.42
B	Cash Flow from Investing Activities				
	Payment to acquire Property, plant & equipments		(63.33)		(395.25)
	Proceeds from Sale of Property, plant & equipments		15.40		247.37
	Purchase of Investment		(4,045.56)		(3,029.43)
	Sale of Investment		3,797.37		2,956.97
	Dividend Income		3.84		442.83
	Net Cash from Investing Activities (B)		(292.27)		222.49
C	Cash Flow from Financing Activities				
	Proceeds/(Repayment) of Short Term Borrowings		-		-
	Dividend paid		-		(537.93)
	Tax on dividend paid		-		(20.75)
	Finance Cost		(7.11)		(4.86)
	Net Cash from Financing Activities (C)		(7.11)		(563.55)
	Net (Decrease)/Increase in Cash & Cash Activities (A+B+C)		81.78		(141.61)
	Cash and Cash Equivalents and Other Bank Balances as on Opening		98.56		240.17
	Cash and Cash Equivalents and Other Bank Balances as on Closing (Note No.10 & 11)		180.34		98.56

Amendment to Ind AS 7-

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

Particulars	Note No.	1 st April 2020	Cashflow	Foreign Exchange Movement	31 st March 2021
Current Liabilities					
- Other financial liabilities					
Unpaid dividends	21	14.74	2.30	-	17.04
Total		14.74	2.30	-	17.04

As per our attached report of even date

On behalf of the Board of Directors

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

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

Sushil U. Lakhani
Director

Jatin A. Thakkar
Partner
Membership No. : 134767
Mumbai, 15th May 2021

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 15th May 2021

Suchita Singh
Company Secretary

Notes to the Financial Statements For the year ended 31st March 2021

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 the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Registered office of the Company is situated at Chembond Centre, EL-71, MIDC Mahape, Navi Mumbai - 400710, Maharashtra.

The Company is engaged in manufacturing of Speciality Chemicals.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements and presentation

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

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

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

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

1.2 Summary of significant accounting policies

a) Property, Plant and Equipment:

Property, plant and equipment (PPE) are stated at historical cost less accumulated depreciation and

accumulated impairment losses, if any except freehold land which is carried at historical cost.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

b) Intangible Assets:

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

c) Capital Work in Progress & Capital Advances:

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

d) Depreciation and Amortization:

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

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

e) Revenue Recognition:

Revenue is measured at the fair value of consideration received or receivable. Amounts disclosed as revenue

Notes to the Financial Statements For the year ended 31st March 2021

are inclusive of excise duty and net of returns, trade discount or rebates and applicable taxes and duties collected on behalf of the government and which are levied on such sales.

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

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

f) Lease:

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

Company as a Lessee

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

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

the periods in the periods in which they are incurred.

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

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

Company as a lessor

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

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

g) Inventory:

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

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

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

h) Impairment of assets:

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if event or changes are indicative in circumstances indicate that they might be impaired. Assets that have a definite useful life are tested for impairment whenever events or

Notes to the Financial Statements For the year ended 31st March 2021

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

i) Financial Instruments:

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

1. Financial assets

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL)

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

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

Debt instruments

▪ A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

▪ After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss.

▪ Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments in subsidiaries, associates and joint venture

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

Equity instruments

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

De-recognition

A financial asset derecognised only when:

▪ The rights to receive cash flows from the asset have expired, or

▪ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained

Notes to the Financial Statements For the year ended 31st March 2021

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 INDAS 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

Notes to the Financial Statements For the year ended 31st March 2021

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

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

j) Fair Value Measurement:

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

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

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

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

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

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

- All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as

follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

k) Foreign Currency and Translation balances:

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

l) Trade Receivables:

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

m) Income Taxes:

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

Current tax:

Current tax is the amount expected tax payable or

Notes to the Financial Statements For the year ended 31st March 2021

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

Deferred tax:

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

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

n) Cash and Cash Equivalents

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

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

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

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

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

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

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

Gratuity:

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

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

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

Notes to the Financial Statements For the year ended 31st March 2021

p) Research and Development

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

q) Borrowing Cost

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

r) Earnings per share

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

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

s) Current / Non-Current Classification:

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

t) Provisions, Contingent Liabilities and Contingent Assets

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

(a) the Company has a present obligation as a result of a past event;

(b) a probable outflow of resources is expected to settle the obligation; and

(c) the amount of the obligation can be reliably estimated.

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

Contingent liability is disclosed in case of

(a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

(b) a present obligation when no reliable estimate is possible; and

(c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognised, nor disclosed.

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

u) Key accounting estimates and judgements

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

The areas involving critical estimates or judgements are:

a. Estimation of taxes

b. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life.

c. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized

d. Recognition and measurement of defined benefit obligations, key actuarial assumptions

e. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources

f. Fair value of financial instrument

Notes to the Financial Statements For the year ended 31st March 2021

2. Property, plant and equipment, Intangibles and Capital work in progress as at 31st March 2021

(₹ in lakhs)

Description	GROSS BLOCK (AT COST)			DEPRECIATION INCLUDING AMORTISATION			NET BLOCK	
	As at 1.04.2020	Additions	Deductions	As at 1.04.2020	Additions	Deductions	As at 31.03.2021	As at 31.03.2020
Property, plant and equipment								
Tangible Assets								
Leasehold Land	61.71	-	-	3.60	0.90	-	4.50	58.11
Freehold Land	89.15	-	4.52	-	-	-	0.00	89.15
Buildings	2,253.86	-	-	272.67	69.13	0.76	341.03	1,981.19
Equipment & Machinery*	1,402.24	24.37	5.65	284.76	140.14	3.22	421.68	1,117.48
Computers	61.68	0.47	0.78	40.29	6.22	0.69	45.82	21.39
Furniture & Fixtures	174.28	2.04	-	67.79	18.00	-	85.79	106.49
Motor Cars	110.99	-	-	51.34	13.26	-	64.60	59.65
Electric Fittings & Installations	220.35	1.40	0.43	63.75	23.35	0.25	86.85	156.60
Sub- total	4,374.26	28.27	11.38	784.19	271.01	4.93	1,050.27	3,590.08
Intangible Assets								
Computer Software	77.48	0.10	-	37.14	9.46	-	46.60	40.35
Sub-total	77.48	0.10	-	37.14	9.46	-	46.60	40.35
Total	4,451.75	28.38	11.38	821.33	280.46	4.93	1,096.87	3,630.42
Previous Year	4,114.69	372.34	35.28	551.45	279.84	9.96	821.33	3,563.23
Capital Work in Progress							42.90	21.96

* Additions to Equipment & Machinery Includes:- R&D Lab equipments addition for Mahape Lab-1 ₹ 1.43 Lacs (Previous year ₹ 0.20 Lacs), Dudhwada Lab-2 ₹ 2.31 Lacs (Previous Year ₹ 56.16 Lacs).

Notes to the Financial Statements For the year ended 31st March 2021

3 Financial Assets (Non-Current)	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
Investments		
Investment in equity instruments of subsidiaries amortised at cost		
Unquoted		
5,00,000(5,00,000) Equity Shares of Chembond Water Technologies Ltd of ₹10/- each fully paid up. (Constituting 100.00%(100.00%) of the said Company's paid up capital)	4,887.86	4,887.86
15,15,000 (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)	1,552.32	1,552.32
Nil (43,04,590) Equity Shares of Chembond Clean Water Technologies Ltd. of ₹10/- each fully paid up (Constituting 0%(52.00%) of the said Company's paid up capital)	-	430.46
19,00,000 (19,00,000) Equity Shares of Chembond Biosciences Limited of ₹ 10/- each fully paid up (Constituting 100 %(100.00%) of the said Company's paid up capital)	190.00	190.00
30,00,000 (30,00,000) Equity Shares of Chembond Polymers and Materials Limited of ₹ 1/- each fully paid up. (Constituting 100.00%(100.00%) of the said Company's paid up capital)	486.76	486.76
27,49,414 (27,49,414) Equity Shares of Chembond Calvatis Industrial Hygiene Systems Limited of ₹1/- each fully paid up (Constituting 55.00 %(55.00%) of the said Company's paid up capital)	32.39	32.39
4,000 (4,000) Equity Shares of Phiroze Sethna Private Ltd. of ₹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 (5,00,000) Equity Shares of Chembond Distribution Ltd. Ltd of ₹ 1/- each fully paid up. (Constituting 100.00%(100.00%) of the said Company's paid up capital)	92.40	92.40
Investment in Government Securities amortised at cost (Unquoted)		
Other Investments amortised at Cost (Unquoted)		
2,848 (2,848) Equity Shares of Tarapur Environment Protection Organisation Ltd. of ₹ 100/- each fully paid up.	5.08	4.69
Investments in Equity Shares carried at fair value through Profit and Loss		
Quoted		
Nil (1,205) Equity Shares of Kotak Mahindra Bank Ltd. of ₹ 5/- each fully paid up.	-	15.62
16,200 (16,200) Equity Shares of Hindustan Petroleum Corporation Ltd.of ₹ 10/- each fully paid up.	37.99	30.80
Investments in Gilt fund carried at fair value through Profit and Loss		
Quoted		
1,00,991.79 (Nil) Units of SBI Magnum Gilt Fund-Long Term-Regular plan Growth	50.85	-
22,22,265.24 (11,93,855.836) Units of ICICI Prudential Short Term Gilt Fund-Growth	1,723.57	855.10
Other Investments		
Quoted (carried at fair value through Profit and Loss)		
20,00,000 (20,00,000) units of Axis Fixed Term Plan Series 976 - Growth	235.25	215.85
45,000 (45,000) units of Tata Capital Financial Services Ltd. NCD	457.26	450.45
Total	13,878.64	13,371.60
Aggregate amount of Quoted Investments and market value there of	2,504.92	1,567.81
Aggregate amount of Unquoted Investments	11,373.71	11,803.79
Aggregate amount of Impairment in value of investment	-	-

Notes to the Financial Statements For the year ended 31st March 2021

	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
4 Other Non- Current Financial Assets (Unsecured & considered good)		
Fixed Deposits deposits with original maturity of more than 12 months	0.81	-
Other Deposits	43.54	42.61
Total	44.35	42.61
5 Income tax asset (net)		
Income Tax (Net of Provision)	271.78	198.89
Total	271.78	198.89
6 Other non-current assets		
Capital Advances	9.43	0.85
Prepaid expenses	34.25	0.25
Total	43.68	1.10
7 Inventories (At lower of Cost and Net Realisable Value)		
Raw Material	207.66	213.31
Packing Material	37.22	35.32
Finished Goods	120.77	170.37
Stock-in-Trade	30.12	44.33
Stock in Transit	0.48	0.28
Total	396.25	463.62
8 Investments (Current)		
Investments in Equity Shares carried at fair value through Profit and Loss Quoted		
Nil (986) Equity Shares of Coromandel International Ltd. of ₹ 1/- each fully paid up.	-	5.39
Nil (7,259) Equity Shares of Kalpatru power Transmission Ltd. of ₹ 2/- each fully paid up.	-	13.26
Nil (8,410) Equity Shares of Sun Pharmaceutical Industries Ltd. of ₹ 1/- each fully paid up.	-	29.63
6,550 (11,834) Equity Shares of ICICI Bank Ltd. of ₹ 10/- each fully paid up.	38.13	38.31
1,854 (Nil) Equity Shares of Tata Communications Ltd. of ₹ 10/- each fully paid up.	19.70	-
Nil (1,870) Equity Shares of HDFC Bank Ltd.	-	16.12
Nil (1,155) Equity Shares of Infosys Ltd.	-	7.41
Nil (2,055) Equity Shares of ACC Ltd.	-	19.90
717 (887) Equity Shares of Divis Laboratories Ltd.	25.98	17.64
1,794 (1,812) Equity Shares of Vardhaman Textiles Ltd.	23.28	11.33
Nil (712) Equity Shares of Bajaj Finance Ltd.	-	15.78
Nil (8,520) Equity Shares of Biocon Ltd.	-	23.05
Nil (740) Equity Shares of Bajaj Auto Ltd.	-	14.97
3,430 (3,550) Equity Shares of Bharat Petroleum Corporation Ltd.	14.68	11.25
Nil (275) Equity Shares of Britannia Industries Ltd.	-	7.39
Nil (4,850) Equity Shares of Investment in DLF Ltd.	-	6.67
Nil (2,580) Equity Shares of The Ramco Cements Ltd.	0.00	13.23
Nil (810) Equity Shares of Trent Ltd.	-	3.92
263 (Nil) Equity Shares of Bajaj Finserv Ltd.	25.43	-
3,610 (Nil) Equity Shares of HDFC Life Insurance Company Ltd.	25.13	-

Notes to the Financial Statements For the year ended 31st March 2021

	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
3,330 (Nil) Equity Shares of HCL Technologies Ltd.	32.72	-
11,588 (Nil) Equity Shares of Tata Motors Ltd	34.97	-
537 (Nil) Equity Shares of HIL Ltd.	16.37	-
11,500 (Nil) Equity Shares of Kirloskar Ferrous Industries Ltd.	18.88	-
2,645 (Nil) Equity Shares of Ramco Systems Ltd.	14.01	-
3,885 (Nil) Equity Shares of SBI	14.15	-
1,275 (Nil) Equity Shares of CEAT LTD	19.85	-
1,198 (Nil) Equity Shares of Dalmia Bharat Ltd.	19.04	-
23,432 (Nil) Equity Shares of JMC Projects (India) Ltd.	17.60	-
990 (Nil) Equity Shares of ICICI Securities Ltd.	3.79	-
4,850 (Nil) Equity Shares of Bajaj Consumer Care Ltd	12.61	-
479 (Nil) Equity Shares of Oracle Financial Services Software Ltd	15.32	-
12,089 (Nil) Equity Shares of Phillips Carbon Black Ltd.	23.07	-
Investments in Mutual Funds carried at fair value through Profit and Loss		
49,542 (49,542) Units of Reliance Liquid Fund -Treasury Plan - Daliy Dividend	0.81	0.79
9,058.97 (Nil) Units of HDFC Liquid Fund- Growth	363.96	-
Nil (1,56,277.345) Units of Kotak Select Focus Fund Regular Plan Growth	-	42.21
Nil (1,35,931.375) Units of SBI Blue Chip Fund Regular Plan Growth	-	40.44
Nil (2,25,408.723) Units of DSP Black Rock Focus 25 Fund Growth	-	39.46
Nil (21,56,825.895) Units of ICICI prudentianl Short Term Growth Option	-	439.26
Nil (3.4584) Units of Kotak Money Market Scheme Regular Plan Growth	-	0.11
13,32,667.29 (6,19,690.746) Units of Kotak Treasury Advantage Fund Regular Plan Growth	449.52	198.88
Nil (28,180.987) Units of Kotak low Duration Fund	-	694.48
Nil (1,140.678) Units of Kotak Liquid Scheme Regular Plan Growth	-	45.63
39,457.47 (56,218) Units of ICICI prudentianl Money Market Fund Regular Plan Growth	115.64	0.16
Nil (67,333.945) Units of SBI - EQUITY HYBRID FUND REG (G)	-	79.92
Nil (7,17,045.32) Units of ICICI PRU - BALANCED ADVANTAGE FUND	-	219.20
14,06,855.59 (6,94,136.292) Units of AXIS – BLUECHIP FUND (G)	544.59	180.48
58,89,347.65 (17,61,386.103) Units of HDFC Ultra Short term fund Reg- Grwt	697.66	197.37
3,34,828.43 (Nil) units of Mirae Asset India Equity Fund-Growth Regular Plan	219.33	-
9,588.34 (Nil) units of Axis Liquid Fund Growth	217.92	-
1612.16 (Nil) units of Mirae Asset Cash Management Fund- Growth	34.56	-
Total	<u>3,058.68</u>	<u>2,433.64</u>
Aggregate amount of Quoted Investments and Market Value there of	3,058.68	2,433.64

Notes to the Financial Statements For the year ended 31st March 2021

9 Trade Receivables	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
Unsecured Considered Good	1,841.41	1,697.76
Unsecured Considered doubtful	86.56	46.58
Less : Provision for Doubtful Debts	86.56	46.58
Total	1,841.41	1,697.76
a For Related party transactions Refer Note No.38		
10 Cash and Cash equivalents		
Balances with banks	86.24	4.71
In Current accounts	1.09	1.23
Cash on hand		
Total	87.33	5.94
11 Bank balances other than cash and cash equivalents		
Margin money (Including deposits with original maturity of more than 3 months and less than 12 months)	75.97	77.88
In Unpaid Dividend Accounts	17.04	14.74
Total	93.01	92.62
12 Loans (Unsecured & considered good)		
Loan and advance to Employees	1.59	4.04
Loans and advances to Related parties	1,817.00	1,707.00
Total	1,818.59	1,711.04
13 Other Current Financial Assets (Unsecured & considered good)		
Security Deposits	29.68	29.44
Deposit - Excise	2.17	2.17
Total	31.86	31.61
14 Current Tax (Net)		
Current Tax (Net)	13.32	75.30
Total	13.32	75.30
15 Other Current Assets		
Accrued Interest	26.98	21.74
Prepaid expenses	-	27.40
Advances for supply of goods and services	13.56	38.47
Balance With Government authorities	34.87	49.42
Other Current Assets	23.52	57.02
Total	98.92	194.05
16 Share Capital		
Authorised 2,00,00,000 (2,00,00,000) Equity Shares of ₹ 5/- each	1,000.00	1,000.00
Issued, Subscribed and Paid up 1,34,48,288 (1,34,48,288) Equity Shares of ₹ 5/- each fully paid up	672.41	672.41
Total	672.41	672.41
a Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:		
Number of shares outstanding at the beginning of the year	1,34,48,288	1,34,48,288
Additions during the year	-	-
Deductions during the year	-	-
Number of shares outstanding at the end of the year	1,34,48,288	1,34,48,288

Notes to the Financial Statements For the year ended 31st March 2021

b Details of Shareholders holding more than 5% Shares

Name of the Shareholder	As at 31/3/2021 No of Shares	As at 31/3/2020 No of Shares
Nirmal V. Shah	17,09,092	16,99,291
% held	12.71%	12.64%
Sameer V. Shah	16,09,661	15,86,124
% held	11.97%	11.79%
Padma V. Shah	16,22,312	15,68,234
% held	12.06%	11.66%
Visan Holdings Pvt. Ltd.	13,07,630	13,05,820
% held	9.72%	9.71%

c 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.

17 Other Equity

	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
General Reserve		
As per last year	630.00	630.00
Add: Transfer from Profit & Loss A/c.	-	-
	630.00	630.00
Share Premium		
As per last year	613.05	613.05
Add: Received on Shares Issue	-	-
	613.05	613.05
Retained Earnings		
As per last year	21,038.44	21,042.95
Add: Profit for the Year	967.31	554.16
	22,005.75	21,597.12
Less: Appropriations		
Other Comprehensive Income/(Loss) for the year	(1.31)	13.94
Set off of Dividend Tax in respect of Dividend from Subsidiary Company	-	(79.14)
Interim Dividend	-	268.97
Tax on Interim Dividend	-	54.22
Dividend Paid	-	268.96
Tax on Dividend Paid	-	45.67
	22,005.75	21,038.44
Other Comprehensive Income (OCI)		
Remeasurements of the net defined benefit Plans	10.38	(3.55)
As per last year	(1.31)	13.94
Movement During the Year	9.07	10.38
Total	23,257.87	22,291.87

18 Provisions

Provision for Gratuity	41.04	48.62
Total	41.04	48.62

Notes to the Financial Statements For the year ended 31st March 2021

19	Deferred Tax Liability (Net)	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
	Deferred tax Liability	447.07	456.80
	Depreciation	91.29	49.03
	Investments at Fair Value	538.35	505.83
	Deferred tax Asset		
	Gratuity	5.29	5.82
	MAT Credit	383.79	392.24
	Other Deferred tax Asset	1.84	2.90
	Provision for Doubtful Debts	25.21	13.57
		416.14	414.52
	Net Deferred Tax Liability	Total 122.21	91.31
20	Trade Payables		
	Micro, Small and Medium Enterprises	105.92	78.27
	Others	633.32	550.83
		Total 739.24	629.09
a	For Related party transaction Refer Note No.38		
b	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	105.92	78.27
	Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	0.03	0.12
	Payment made to suppliers (other than interest) beyond the appointed day, during the year	78.27	42.73
	Interest paid/adjusted to suppliers under MSMED Act, 2006 (other than section 16)	0.12	0.25
	Interest paid/adjusted to suppliers under MSMED Act, 2006 (section 16)	NIL	NIL
	Interest due and payable to suppliers under MSMED Act, 2006 for payments already made	0.03	0.12
	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	0.03	0.12
	The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.		
21	Other Current Financial Liabilities		
	Employee Benefits & Other Payables	158.23	162.27
	Creditors for Capital Expenditure	8.60	10.97
	Unclaimed Dividend *	17.04	14.74
		Total 183.86	187.98
	* Not due for Deposit to Investor Education and Protection Fund		
22	Other Current Liabilities		
	Advance Received From Customers	52.48	40.33
	Statutory Dues	21.53	7.99
		Total 74.02	48.32
23	Short-term Provisions		
	Provision for Gratuity	1.94	2.55
		Total 1.94	2.55

Notes to the Financial Statements For the year ended 31st March 2021

24 Revenue from Operations	2020-2021 (₹ in lakhs)	2019-2020 (₹ in lakhs)
Sale of Goods	3,902.73	5,565.78
Sales of Services		
Technical Service Income	9.69	9.50
Other Operating revenue		
Management Services Charges from Related Party	247.11	225.39
Bad Debts Recovered	7.43	0.02
Miscellaneous Income	36.73	53.60
	<u>291.27</u>	<u>279.00</u>
Total	<u><u>4,203.69</u></u>	<u><u>5,854.29</u></u>
25 Other Income		
Dividend from Subsidiary Company	-	437.00
Dividend from Equity Investments	3.82	5.80
Dividend from Mutual Funds	0.02	0.03
	<u>3.84</u>	<u>442.83</u>
Net gain on Sale/fair valuation of investments through profit & loss *	883.90	-
Gross Interest {TDS Rs. 12.76 lakhs (P.Y 4.16 lakhs)}	210.76	84.29
Gross Rental Income (TDS Rs. 5.31 lakhs (P.Y Rs. 5.43 lakhs))	72.21	72.13
Profit on Sale of Fixed Assets	-	20.72
Foreign Exchange Fluctuation Gain/ (Loss)	-	15.91
Corporate Guarantee fee	20.50	19.93
	<u>20.50</u>	<u>19.93</u>
Total	<u><u>1,191.20</u></u>	<u><u>655.80</u></u>
* Adjusted fair value gain/(loss) as at 31st March 2021 amounting to ₹ 494.59 (31st March 2020 (₹ Nil) lakhs)		
26 Cost of materials consumed		
Raw Materials Consumed	1,412.65	2,567.33
Packing Material	210.54	252.57
	<u>1,623.20</u>	<u>2,819.91</u>
Total	<u><u>1,623.20</u></u>	<u><u>2,819.91</u></u>
27 Purchases of stock-in-trade		
Purchases of Stock-in-trade	208.73	258.42
	<u>208.73</u>	<u>258.42</u>
Total	<u><u>208.73</u></u>	<u><u>258.42</u></u>
28 Changes in inventory of Finished goods, Work in progress and Traded goods		
Finished products/ Stock in Trade (At Close)	150.89	214.70
Finished products/ Stock in Trade (At commencement)	214.70	356.34
	<u>63.81</u>	<u>141.64</u>
Total	<u><u>63.81</u></u>	<u><u>141.64</u></u>
29 Employee benefit expenses		
Director Remuneration	95.05	82.02
Salaries & Wages	424.22	678.61
Contribution to Provident & other funds	57.06	65.51
Staff Welfare Expenses	22.64	48.13
	<u>598.96</u>	<u>874.26</u>
Total	<u><u>598.96</u></u>	<u><u>874.26</u></u>
a For Related party transaction Refer Note No.38		
30 Finance Cost		
Interest Expense		
- Banks	0.16	1.70
- MSMED	0.03	0.24
- Others	5.73	2.94
Bank Guarantee fees & charges	1.20	2.92
	<u>7.11</u>	<u>7.80</u>
Total	<u><u>7.11</u></u>	<u><u>7.80</u></u>

Notes to the Financial Statements For the year ended 31st March 2021

	2020-2021 (₹ in lakhs)	2019-2020 (₹ in lakhs)
31 Depreciation and Amortisation expenses		
Depreciation and Amortisation Expenses	280.46	279.84
Total	280.46	279.84
32 Other Expenses		
Manufacturing Expenses		
Consumable stores	16.32	22.89
Power, Fuel & Water Charges	54.04	60.44
Research and Development (see note 'a' below)	86.79	104.21
Lab Expenses	0.02	1.30
Repairs and Renewals to Plant & Machinery	27.54	31.86
Godown Rent	-	0.94
Labour Charges	205.84	211.27
Security Expenses	64.55	68.11
Factory Maintenance	18.44	25.39
A	473.55	526.42
Administrative Expenses		
Director's Sitting Fees	9.38	10.50
Rates & Taxes	13.70	10.67
Electricity charges	26.54	43.20
Printing and stationary	4.83	8.27
Telephone & Postage Expenses	8.71	15.85
Insurance	18.59	22.66
Motor car expenses	23.93	29.39
Auditors Remuneration	18.29	16.36
Legal, Professional & consultancy fees	168.62	156.70
Repairs & Maintenance Buildings	1.35	9.77
Repairs & Maintenance Others	98.91	116.68
Miscellaneous expenses	26.80	44.42
Donation	-	0.27
CSR Expenditure	11.45	13.75
Sales Tax & Other Taxes	3.98	19.97
Loss on Sale of Fixed Asset	5.06	-
Net loss on Sale/fair valuation of investments through profit & loss *	-	15.23
Input GST Disallowed	2.04	2.21
Foreign Exchange Fluctuation Loss/ (Gain)	1.57	-
Provision for Doubtful Debts	44.35	41.75
Bad Debts Written Off	115.88	92.24
B	603.97	669.92
Selling and Distribution Expenses		
Carriage outwards	125.28	174.49
Rent	18.36	19.72
Commission on sales	38.44	39.22
Travelling Expenses	30.49	63.74
Conveyance expenses	18.43	37.27
Royalty Expenses	11.40	27.56
Advertising & Publicity Expenses	0.96	5.75
Warehousing Charges	3.47	4.09
Packing Expenses	8.01	7.58
Sales Promotion Expenses	15.34	21.66
C	270.19	401.10
Total (A+B+C)	1,347.72	1,597.44

* Adjusted fair value gain/(loss) as at 31st March 2021 amounting to (₹ Nil) (31st March 2020 ₹ 226.34 lakhs)

a Research and Development Expenses:

Resarch and Develpoment Lab Mahape	56.02	54.29
Resarch and Develpoment Lab Dudhwada	30.77	49.92
Total	86.79	104.21

b Auditor's Remuneration consists of:

Statutory Audit Fees	14.81	13.20
Tax Audit Fees	2.21	2.01
Taxation and Other Matters	1.27	1.15
Total	18.29	16.36

Notes to the Financial Statements For the year ended 31st March 2021

c Corporate Social Responsibility

Gross amount required to be spent by the Company during the year on CSR Activities ₹ 11.45 Lakhs (PY ₹13.74 Lakhs)

Details of corporate social responsibility expenditure

Amount required to be spent by the Company during the year

Amount spent during the year on

(i) Construction/acquisition of any asset

(ii) On purposes other than (i) above

Total

	2020-2021 (₹ in lakhs)	2019-2020 (₹ in lakhs)
	11.45	13.74
	-	-
	11.45	13.75
Total	11.45	13.75

d Lease

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

Due within one year

Due later than one year and not later than five years

Due later than five years

Lease payments recognised in the Statement of Profit & Loss

	Total Minimum Lease Payment Outstanding as on 31/03/2021 (₹ in lakhs)	Total Minimum Lease Payment Outstanding as on 31/03/2020 (₹ in lakhs)
	8.65	6.84
	-	-
	21.83	24.75

33 EARNINGS PER SHARE

Net Profit available to Equity Shareholders (₹ In Lakhs)

Total number of Equity Shares (Face value of ₹ 5/- each fully paid up)

Weighted No. of Equity Shares

Basic Earnings per Share (in ₹)

Diluted No. of Equity Shares

Diluted Earnings per Share (in ₹)

	2020-2021	2019-2020
	966.00	554.16
	1,34,48,288	1,34,48,288
	1,34,48,288	1,34,48,288
	7.18	4.12
	1,34,48,288	1,34,48,288
	7.18	4.12

34 EARNINGS IN FOREIGN EXCHANGE

Export of Goods on FOB Basis

Total

	2020-2021 (₹ in lakhs)	2019-2020 (₹ in lakhs)
	14.51	79.11
Total	14.51	79.11

35 Segment Reporting

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

Notes to the Financial Statements For the year ended 31st March 2021

36 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

	As at 31 st March 2021							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents (Including other bank balances)			180.34	180.34				-
Investments								
- Mutual Funds	4,653.66			4,653.66	4,653.66			4,653.66
- Equity Shares (Quoted)	452.68			452.68	452.68			452.68
- Equity Shares (Unquoted)			5.08	5.08				-
- Preference shares, NCD and bonds			457.26	457.26				-
Trade and other receivables			1,841.41	1,841.41				-
Loans			1,818.59	1,818.59				-
Other financial assets			75.40	75.40				-
TOTAL	5,106.34	-	4,378.08	9,484.42	5,106.34	-	-	5,106.34
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)				-				-
Short term borrowings				-				-
Trade and other payables			739.24	739.24				-
Other financial liabilities			183.86	183.86				-
TOTAL	-	-	923.10	923.10	-	-	-	-

	As at 31 st March 2020							
	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
Financial assets								
Cash and cash equivalents (Including other bank balances)			98.56	98.56				-
Investments								
- Mutual Funds	3,249.35			3,249.35	3,249.35			3,249.35
- Equity Shares (Quoted)	301.66			301.66	301.66			301.66
- Equity Shares (Unquoted)			4.69	4.69				-
- Preference shares, NCD and bonds			450.45	450.45				-
Trade and other receivables			1,697.76	1,697.76				-
Loans			1,711.04	1,711.04				-
Other financial assets			74.22	74.22				-
TOTAL	3,551.00	-	4,036.72	7,587.72	3,551.00	-	-	3,551.00
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)				-				-
Short term borrowings				-				-
Trade and other payables			629.09	629.09				-
Other financial liabilities			187.98	187.98				-
TOTAL	-	-	817.08	817.08	-	-	-	-

Notes to the Financial Statements For the year ended 31st March 2021

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

B. Measurement of fair values

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

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

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

Transfers between Levels

There are no transfers between the levels

C. Financial risk management

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

i. Risk management framework

Risk Management is an integral part of the Company's plans and operations. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The board of directors is responsible for developing and monitoring the Company risk management policies.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

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

Trade and other receivables

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

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

Notes to the Financial Statements For the year ended 31st March 2021

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

Cash and cash equivalents

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made in mainly in mutual funds with good returns and with high credit ratings assigned by International and domestic credit ratings agencies. Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company has obtained fund and non-fund based working capital lines from various banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

(₹ in lakhs)

Sr No	As at 31 st March, 2021	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Trade payables	22	739.24	739.24	-
2	Other Financials Liability	23	183.86	183.86	-
3	Other Current Liabilities	24	74.02	74.02	-
	TOTAL		997.12	997.12	-

(₹ in lakhs)

Sr No	As at 31 st March, 2020	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Trade payables	22	629.09	629.09	-
2	Other Financials Liability	23	187.98	187.98	-
3	Other Current Liabilities	24	48.32	48.32	-
	TOTAL		865.39	865.39	-

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 is not exposed to significant foreign currency risk. The Company enters 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 31/03/2021		As at 31/03/2020	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
USD	Buy	-	-	-	-

Notes to the Financial Statements For the year ended 31st March 2021

b Foreign Currency Exposures at the year end not hedged by derivative instruments: (₹ in lakhs)

		As at 31/03/2021		As at 31/03/2020	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
US Dollars	Buy	0.15	11.17	0.12	8.87
Euro	Buy	0.03	2.24	0.03	2.17
US Dollars	Sell	0.09	6.29	0.28	20.80

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Investment committee manages and constantly reviews the interest rate movements in the market. This risk is mitigated by the Company by investing the funds in various tenors depending on the liquidity needs of the Company. The Company's exposures to interest rate risk is not significant.

37 Employee Benefit obligations

(A) Defined Benefit Plan

The Company's obligation towards the Gratuity Fund is a Defined Benefit Plan. Based on the actuarial valuation obtained in this respect, details of Actuarial Valuation are as follows:

	(₹ in lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
	(Funded plan)	
(i) Change in Defined Benefit Obligation		
Opening defined benefit obligation	129.82	230.32
Amount recognised in profit and loss		
Current service cost	12.79	11.49
Interest cost	8.76	17.85
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:		
Return on Plan Assets		
Financial assumptions	1.40	(96.91)
Other		
Benefits paid	(6.10)	(32.93)
Closing defined benefit obligation	146.67	129.82
(ii) Change in Fair Value of Assets		
Opening fair value of plan assets	78.66	153.61
Amount recognised in profit and loss		
Interest income	5.31	11.90
Amount recognised in other comprehensive income		
Actuarial gain / (loss)		
Return on Plan Assets, Excluding Interest Income	(0.26)	(1.83)
Other		
Contributions by employer	26.08	25.44
Equitable fund transfer out	-	(77.53)
Benefits paid	(6.10)	(32.93)
Closing fair value of plan assets	103.69	78.66
Actual return on Plan Assets	5.05	10.07
(iii) Plan assets comprise the following		
Insurance fund (100%)	Unquoted 153.61	Unquoted 153.61
(iv) Principal actuarial assumptions used		
Discount rate	6.71%	6.75%
Withdrawal Rate	1.00%	1.00%
Future Salary Increase	5.00%	5.00%

Notes to the Financial Statements For the year ended 31st March 2021

(v) Amount recognised in the Balance Sheet	As at 31st March, 2021	As at 31st March, 2020
Present value of obligations as at year end	146.67	29.33
Fair value of plan assets as at year end	103.69	3.71
Net (asset) / liability recognised as at year end	42.98	25.62
Recognised under :		
Short term provisions	1.94	2.55
Long term provisions	41.04	23.07
	42.98	25.62

(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, 2021		As at 31st March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate 0.5%/(1%) movement - Gratuity	(11.75)	13.65	(11.77)	13.72
Future salary growth 0.5%/(1%) movement - Gratuity	13.75	(12.03)	13.82	(12.06)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur when we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

(vii) Expected future cash flows

The expected maturity analysis is as follows :	For year ended	For year ended
	31.3.2021	31.3.2020
Expected benefits for year 1	132.45	6.10
Expected benefits for year 2	20.53	12.26
Expected benefits for year 3	24.64	19.67
Expected benefits for year 4	32.18	10.71
Expected benefits for year 5	27.54	18.10
Expected benefits for year 6 and above	244.18	290.89

Notes to the Financial Statements For the year ended 31st March 2021

38 RELATED PARTY DISCLOSURES

Related party disclosures as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

a) Relationship:

i. Subsidiary Companies:

Chembond Water Technologies Ltd., Chembond Material Technologies Pvt Ltd, Chembond Clean Water Technologies Ltd., Chembond Biosciences Limited, Chembond Polymers and Materials Ltd, Chembond Calvatis Industrial Hygiene Systems Ltd., Phiroze Sethna Pvt Ltd, Chembond Water Technologies (Malaysia) SDN.BHD, Chembond Distribution Ltd and Gramos Chemicals India Private Limited.

ii. Key Management Personnel and their relatives (KMP)

Key Management Personnel:

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

Relatives :

Padma V. Shah, Dr. Shilpa S. Shah, Mamta N. Shah, Alpna S. Shah, Sandeep H. Shah, Jyoti N. Mehta, Nikhil J. 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 Opto Electronics Pvt Ltd., Finor Piplaj Chemicals Ltd., S and N Ventures Ltd., Visan Holdings 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 Description of the nature of transactions	31.03.2021				31.03.2020			
	Subsidiary	Associates	KMP	Total	Subsidiary	Associates	KMP	Total
Sales of Goods	638.80	-	2.59	641.39	1,393.11	-	17.38	1,410.49
Chembond Water Technologies Ltd	176.26	-	-	176.26	409.86	-	-	409.86
Chembond Material Technologies Pvt Ltd	269.77	-	-	269.77	749.60	-	-	749.60
Chembond Clean Water Technologies Ltd	2.64	-	-	2.64	0.00	-	-	0.00
Chembond Calvatis Industrial Hygiene Systems Ltd	116.51	-	-	116.51	144.99	-	-	144.99
Chembond Distribution Ltd	21.75	-	-	21.75	26.63	-	-	26.63
Finor Piplaj Chemicals Ltd.	-	-	2.59	2.59	-	-	17.38	17.38
Phiroze Sethna Pvt Ltd	0.19	-	-	0.19	3.92	-	-	3.92
Chembond Polymers and Materials Ltd	0.27	-	-	0.27	0.25	-	-	0.25
Chembond Biosciences Limited	51.41	-	-	51.41	57.87	-	-	57.87
Gramos Chemicals India Pvt Ltd	0.23	-	-	0.23	-	-	-	-
Purchase of Goods	695.77	-	-	695.77	783.27	-	294.80	1,078.07
Chembond Water Technologies Ltd	48.40	-	-	48.40	43.46	-	-	43.46
Chembond Material Technologies Pvt Ltd	160.02	-	-	160.02	380.46	-	-	380.46
Chembond Clean Water Technologies Ltd	2.94	-	-	2.94	1.33	-	-	1.33
Chembond Biosciences Limited	44.30	-	-	44.30	61.00	-	-	61.00
Chembond Distribution Ltd	279.26	-	-	279.26	290.87	-	-	290.87
Finor Piplaj Chemicals Ltd	155.27	-	-	155.27	-	-	294.80	294.80
Phiroze Sethna Pvt Ltd	4.98	-	-	4.98	5.63	-	-	5.63
Chembond Polymers and Materials Ltd	0.60	-	-	0.60	0.53	-	-	0.53
Chembond Calvatis Industrial Hygiene Systems Ltd	-	-	-	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	-	25.12	-	-	25.12
Chembond Clean Water Technologies Ltd	-	-	-	-	23.58	-	-	23.58
Chembond Water Technologies Ltd	-	-	-	-	-	-	-	-
Chembond Material Technologies Pvt Ltd	-	-	-	-	1.34	-	-	1.34
Phiroze Sethna Pvt Ltd	-	-	-	-	0.20	-	-	0.20
Sale of Fixed Assets	2.71	-	-	2.71	4.00	-	3.00	7.00
Chembond Water Technologies Ltd	-	-	-	-	0.37	-	-	0.37
Chembond Material Technologies Pvt Ltd	-	-	-	-	1.24	-	-	1.24
Phiroze Sethna Pvt Ltd	2.12	-	-	2.12	2.18	-	-	2.18
Chembond Polymers and Materials Ltd	-	-	-	-	0.21	-	-	0.21
Finor Piplaj Chemicals Ltd.	-	-	-	-	-	-	3.00	3.00
Gramos Chemicals India Pvt Ltd	0.58	-	-	0.58	-	-	-	-
Sale of Consumable	0.74	-	-	0.74	2.29	-	-	2.29
Chembond Water Technologies Ltd	-	-	-	-	0.91	-	-	0.91
Phiroze Sethna Pvt Ltd	0.73	-	-	0.73	1.38	-	-	1.38
Gramos Chemicals India Pvt Ltd	0.01	-	-	0.01	-	-	-	-
Rent Income	59.70	-	12.24	71.94	59.65	-	12.24	71.89
Chembond Water Technologies Ltd	50.94	-	-	50.94	50.94	-	-	50.94
Chembond Clean Water Technologies Ltd	5.70	-	-	5.70	5.70	-	-	5.70
Chembond Material Technologies Pvt Ltd	1.20	-	-	1.20	1.15	-	-	1.15
Chembond Polymers and Materials Ltd	0.42	-	-	0.42	0.42	-	-	0.42
Chembond Distribution Ltd	0.24	-	-	0.24	0.24	-	-	0.24
Chembond Calvatis Industrial Hygiene Systems Ltd	1.20	-	-	1.20	1.20	-	-	1.20
Finor Piplaj Chemicals Ltd.	-	-	3.00	3.00	-	-	3.00	3.00
Oriano Clean Energy Pvt Ltd	-	-	9.24	9.24	-	-	9.24	9.24

Notes to the Financial Statements For the year ended 31st March 2021

(₹ in lakhs)

For the year ended / as on Description of the nature of transactions	31.03.2021				31.03.2020			
	Subsidiary	Associates	KMP	Total	Subsidiary	Associates	KMP	Total
Sub Contract Receipt (Revenue)	1,182.14	-	-	1,182.14	1,271.14	-	-	1,271.14
Chembond Water Technologies Ltd	792.27	-	-	792.27	890.83	-	-	890.83
Chembond Material Technologies Pvt Ltd	301.01	-	-	301.01	273.57	-	-	273.57
Chembond Biosciences Limited	88.86	-	-	88.86	106.73	-	-	106.73
Service Charges(BSS) Income	247.11	-	-	247.11	225.39	-	-	225.39
Chembond Water Technologies Ltd	206.35	-	-	206.35	200.00	-	-	200.00
Chembond Polymers and Materials Ltd	40.76	-	-	40.76	-	-	-	-
Chembond Calvatis Industrial Hygiene Systems Ltd	-	-	-	-	25.39	-	-	25.39
Corporate Gurantee Fees Income	20.50	-	-	20.50	19.93	-	-	19.93
Chembond Water Technologies Ltd	19.00	-	-	19.00	18.43	-	-	18.43
Chembond Clean Water Technologies Ltd	1.50	-	-	1.50	1.50	-	-	1.50
Dividend Income	-	-	-	-	437.00	-	-	437.00
Chembond Water Technologies Ltd	-	-	-	-	360.00	-	-	360.00
Chembond Clean Water Technologies Ltd	-	-	-	-	52.00	-	-	52.00
Phiroze Sethna Pvt Ltd	-	-	-	-	25.00	-	-	25.00
Interest Income	159.07	-	-	159.07	36.32	-	-	36.32
Chembond Material Technologies Pvt Ltd	115.92	-	-	115.92	8.97	-	-	8.97
Chembond Biosciences Limited	38.95	-	-	38.95	27.35	-	-	27.35
Chembond Distribution Ltd	2.76	-	-	2.76	-	-	-	-
Chembond Polymers and Materials Ltd	0.29	-	-	0.29	-	-	-	-
Phiroze Sethna Pvt Ltd	1.14	-	-	1.14	-	-	-	-
Rental Expenses	-	-	13.26	13.26	-	-	12.77	12.77
Finor Piplaj Chemicals Ltd.	-	-	13.26	13.26	-	-	12.77	12.77
Director Remunration	-	-	103.42	103.42	-	-	84.52	84.52
Sameer V. Shah	-	-	65.12	65.12	-	-	46.35	46.35
Nirmal V. Shah	-	-	38.30	38.30	-	-	38.16	38.16
Director Sitting Fees	-	-	9.38	9.38	-	-	10.50	10.50
Ashwin Nagarwadia	-	-	3.16	3.16	-	-	3.50	3.50
Mahendra Ghelani	-	-	3.13	3.13	-	-	3.50	3.50
Sushil Lakhani	-	-	1.78	1.78	-	-	2.00	2.00
Saraswati Sankar	-	-	0.88	0.88	-	-	1.00	1.00
Dr. Prakash Trivedi	-	-	0.44	0.44	-	-	0.50	0.50
Professional & Consulting Fees	-	-	31.21	31.21	-	-	33.64	33.64
Bhadresh D. Shah	-	-	31.21	31.21	-	-	33.64	33.64
Royalty	-	-	11.40	11.40	-	-	27.56	27.56
S and N Ventures Ltd	-	-	11.40	11.40	-	-	27.56	27.56
Balance at the end of the year								
A. Loans Given	1,817.00	-	-	1,817.00	1,707.00	-	-	1,707.00
Chembond Material Technologies Pvt Ltd	1,288.00	-	-	1,288.00	1,288.00	-	-	1,288.00
Chembond Biosciences Limited	434.00	-	-	434.00	419.00	-	-	419.00
Chembond Polymers and Materials Ltd	50.00	-	-	50.00	-	-	-	-
Phiroze Sethna Pvt Ltd	45.00	-	-	45.00	-	-	-	-
B. Sundry Debtors	849.42	-	1.75	851.16	347.91	-	-	347.91
Chembond Water Technologies Ltd	108.35	-	-	108.35	109.35	-	-	109.35
Chembond Clean Water Technologies Ltd	1.90	-	-	1.90	1.28	-	-	1.28
Chembond Distribution Ltd	34.96	-	-	34.96	-	-	-	-
Chembond Calvatis Industrial Hygiene Systems Ltd	31.14	-	-	31.14	44.59	-	-	44.59
Chembond Material Technologies Pvt Ltd	491.31	-	-	491.31	41.45	-	-	41.45
Chembond Water Technologies (Malaysia) SDN.BHD	-	-	-	-	-	-	-	-
Chembond Polymers and Materials Ltd	21.25	-	-	21.25	0.05	-	-	0.05
Chembond Biosciences Limited	155.77	-	-	155.77	149.97	-	-	149.97
Phiroze Sethna Pvt Ltd	2.62	-	-	2.62	0.57	-	-	0.57
Gramos Chemicals India Pvt Ltd	2.12	-	-	2.12	0.65	-	-	0.65
Finor Piplaj Chemicals Ltd	-	-	1.75	1.75	-	-	-	-
C. Sundry Creditors	11.86	-	43.58	180.67	-	-	67.85	67.85
Chembond Water Technologies Ltd	11.29	-	-	11.29	-	-	-	-
Chembond Clean Water Technologies Ltd	0.56	-	-	0.56	-	-	-	-
S and N Ventures Ltd	-	-	1.18	1.18	-	-	9.60	9.60
Finor Piplaj Chemicals Ltd	-	-	42.40	42.40	-	-	58.26	58.26
Chembond Distribution Ltd	125.23	-	-	125.23	47.54	-	-	47.54
D. Investments	11,368.64	-	-	11,368.64	11,799.09	-	-	11,799.09
Chembond Water Technologies Ltd	4,887.86	-	-	4,887.86	4,887.86	-	-	4,887.86
Chembond Material Technologies Pvt Ltd	1,552.32	-	-	1,552.32	1,552.32	-	-	1,552.32
Chembond Clean Water Technologies Ltd	-	-	-	-	430.46	-	-	430.46
Chembond Biosciences Limited	190.00	-	-	190.00	190.00	-	-	190.00
Chembond Calvatis Industrial Hygiene Systems Ltd	32.39	-	-	32.39	32.39	-	-	32.39
Chembond Distribution Ltd	92.40	-	-	92.40	92.40	-	-	92.40
Chembond Polymers and Materials Ltd	486.76	-	-	486.76	486.76	-	-	486.76
Phiroze Sethna Pvt Ltd	4,126.90	-	-	4,126.90	4,126.90	-	-	4,126.90

Notes to the Financial Statements For the year ended 31st March 2021

39 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31st March, 2021, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

40 Tax Reconciliation

(a) The income tax expense consists of the following

Particulars

Current Income Tax

Deferred Tax Expense

Short/Excess Provision

Tax expense for the year

2020-2021
(₹ in lakhs)

2019-2020
(₹ in lakhs)

266.12

30.90

0.56

297.58

83.29

(104.75)

(1.90)

(23.36)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax Rate

Profit before income tax expense

Indian statutory income tax rate (MAT)

Expected Income Tax expenses

Part A

Tax effect of amounts which are not deductible (allowable) in calculating taxable income:

Income exempt from income taxes

Additional allowances/deduction

Transition gain

Short/Excess Provision

Others

Current Tax (A)

Part B

Deferred Tax Effect at the rate of:

Depreciation

Investments at Fair Value

Less:

Gratuity

MAT Credit

Other Deferred tax Asset

Provision for Doubtful Debts

Deferred Tax (B)

Tax Expense (A+B)

1,264.90

16.69%

211.14

(8.91)

7.17

56.38

0.56

0.34

266.68

29.12%

(9.74)

42.26

(0.52)

(8.44)

(1.06)

11.64

30.90

297.58

530.81

16.69%

88.60

(73.92)

15.82

56.38

(1.90)

(3.60)

81.40

29.12%

(23.54)

0.26

(16.52)

86.89

(1.06)

12.16

(104.75)

(23.36)

41 Contingent Liabilities and Commitments (To the extent not provided for) :

Particulars

A) Contingent Liabilities not provided for :

a) Claims against the company not acknowledged as debts -

i) Income Tax matter under Appeal

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

iii) Income tax demands pending for rectification

iv) Excise matter under Appeal

(Rs.1.12 Lakhs already paid as predeposit for appeal)

13.18

278.96

6.78

-

15.62

285.31

52.31

-

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

i) Outstanding L.C & Bank Guarantees issued by Bankers.

ii) Corporate Guarantee given to Bank of India by the Company on behalf of Subsidiaries Chembond Water Technologies Ltd. & Chembond Clean Water Technologies Ltd.

57.29

2050.00

18.21

2050.00

B) Capital Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)

5.00

-

** As per the SCN issued for service tax matters, there may be additional liability of interest and penalty, quantum of which is not ascertained.

Notes to the Financial Statements For the year ended 31st March 2021

42 COVID-19 Assessment:

COVID-19 continues to impact normal business operations of the Company and the operating environment remains challenging with the emergence of second wave of COVID. Necessary precautions to ensure hygiene, safety, and wellbeing of all our employees at all plants have been implemented. The Company has considered the possible effects COVID-19 may have on the recoverability and carrying value of its assets comprising Property Plant and Equipment, Goodwill, Investments, Inventories and Trade Receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is continuously evolving giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone financials statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business

- 43** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 44** In line with streamlining business unit operations and to obtain sales synergies, shareholding in Chembond Clean Water Technologies Limited (CCWTL) was transferred to the wholly owned subsidiary Chembond Water Technologies Ltd.
- 45** 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.
- 46** Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 2021. Management is of the view that since the changes are applicable from April 1, 2021, those are applicable for the financial year commencing from April 1, 2021 and are applicable to Financial statements issued in respect of accounting years commencing on or after April 1st, 2021. Therefore, related disclosures are not considered in these financial statements for the year ended on March 31, 2021, although issued after April 1, 2021.
- 47** The previous year figures have been regrouped, reallocated or reclassified wherever necessary to confirm to current year classification and presentation.

As per our attached report of even date

On behalf of the Board of Directors

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

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

Sushil U. Lakhani
Director

Jatin A. Thakkar
Partner
Membership No. : 134767
Mumbai, 15th May 2021

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 15th May 2021

Suchita Singh
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of
Chembond Chemicals Limited

Report on the Audit of the Consolidated Financial Statements:

Opinion

We have audited the consolidated financial statements of Chembond Chemicals Limited ("the Company") and its subsidiaries listed in Annexure - A (the Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March 2021, 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 accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31st March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's

Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Emphasis of Matter – Effects of COVID-19

We draw attention to Note 45 in the consolidated financial statements, which describes the uncertainties and the impact of the Covid-19 pandemic on the Group's operations and financial statements as assessed by the management. The actual financial impact may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Responses
<p>Contingent liabilities for tax matters</p> <p>The Group has disclosed in Note 44 to the consolidated financial statements the contingent liabilities as at 31st March, 2021 which includes disputed liabilities in respect of income tax, sales tax and service tax matters.</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> <p>a) Obtained the summary of all disputed tax matters of the Group and assessed the management's position through discussions.</p> <p>b) Obtaining a detailed understanding of processes and controls of the Management with respect to disputed matters.</p> <p>c) Making corroborative inquiries with appropriate level of the management personnel including status update, expectation of outcomes with basis and future course of action contemplated by the Group and perusing legal opinions, if any, obtained by the management.</p> <p>d) Evaluating the evidences supporting the judgement of the management about the possible outcomes and the reasonableness of the estimates.</p> <p>e) Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.</p>

Other Matters

a) We did not audit the financial statements of three Indian subsidiaries and one step down subsidiary that are included in the Consolidated Financial Statements, whose financial statement reflect total asset of ₹7,100 lakhs as at 31st March, 2021, total revenues of ₹10,303.42 lakhs for the year ended 31st March, 2021, total loss after tax of ₹(242.24) lakhs for the year ended 31st March, 2021, other comprehensive income of ₹14.30 lakhs for the year ended 31st March, 2021 respectively and net cash inflows of ₹168.55 lakhs for the year ended 31st March, 2021 as considered in the Consolidated Financial Statements. These financial statements have been audited by the other auditors, whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosure included in respect of these subsidiaries and step down subsidiary is based solely on the reports of the other auditors.

b) The financial statements of one of the step down foreign subsidiary included in the Consolidated Financial Statements, whose financial statements reflects revenue of ₹141.17 lakhs, total net profit of ₹10.62 lakhs and other comprehensive income of Nil for the year ended

31st March, 2021 are audited by other auditors according to accounting principles generally accepted in that foreign country. The Company's management has converted the financial statements of such foreign subsidiary 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 subsidiary is based solely on the basis of the said financial statements certified by the management.

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. We have nothing to report in this regard.

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

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) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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

We communicate with those charged with governance

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. In our opinion proper books of account as required by law relating to preparation of the consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;
- c. The consolidated balance sheet, the consolidated statement of profit and loss including Other Comprehensive Income, the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with

Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on 31st March, 2021, taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2021, from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure - B".

2. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the consolidated financial statements disclose impact of

For **Bathiya & Associates LLP**
Chartered Accountants
Firm Registration No. 101046W / W100063

Jatin A. Thakkar
Partner
Membership No.: 134767
Place : Mumbai
Date : 15th May, 2021
UDIN : 20134767AAAAAL7887

pending litigations on the financial position of the Group.
– Refer Note no. 44 to the consolidated financial statements;

ii. the Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

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, 2021 in accordance with the provisions of Section 197 of the Act.

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

Sr. No.	Name of the entity	Relationship
1.	Chembond Water Technologies Limited	Subsidiary Company
2.	Chembond Polymers and Materials Limited	Subsidiary Company
3.	Chembond Calvatis Industrial Hygiene Systems Limited	Subsidiary Company
4.	Chembond Material Technologies Private Limited	Subsidiary Company
5.	Chembond Biosciences Limited	Subsidiary Company
6.	Phiroze Sethna Private Limited	Subsidiary Company
7.	Chembond Distribution Limited	Subsidiary Company
8.	Chembond Water Technologies (Malaysia) Sdn. Bhd. (formerly know as Chembond Chemicals (Malaysia) Sdn. Bhd.)	Step down Foreign Subsidiary Company
9.	Chembond Clean Water Technologies Limited	Step down Subsidiary Company
10.	Gramos Chemicals India Private Limited	Step down Subsidiary Company

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31st March, 2021)

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, 2021, 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, 2021.

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

For **Bathiya & Associates LLP**
Chartered Accountants
Firm Registration No. 101046W / W100063

Jatin A. Thakkar
Partner
Membership No.: 134767

Place : Mumbai
Date : 15th May, 2021

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, 2021, 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.

Consolidated Balance Sheet as at 31st March 2021

	Notes	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
Assets			
Non-current assets			
(a) Property, plant and equipment	2	4,602.99	4,824.79
(b) Capital work-in-progress	2	36.75	7.08
(c) Goodwill	2	7,489.45	7,489.45
(d) Other Intangible Assets	2	62.94	77.02
(e) Financial Assets			
i) Investments	3	3,520.17	2,063.95
ii) Other financial assets	4	491.45	787.49
(f) Deferred tax Assets (net)	5	208.46	157.10
(g) Income tax asset (net)	6	616.56	569.81
(h) Other non-current assets	7	79.15	20.49
Total Non-current assets		17,107.92	15,997.18
Current Assets			
(a) Inventories	8	2,932.94	2,732.98
(b) Financial Assets			
i) Investments	9	3,763.04	3,066.47
ii) Trade receivables	10	8,353.24	8,240.61
iii) Cash and cash equivalents	11	968.96	245.73
iv) Bank balances other than (iii) above	12	1,571.60	1,106.79
v) Loans	13	35.19	45.87
vi) Other financial assets	14	59.31	66.26
(c) Current Tax (Net)	15	10.02	175.92
(d) Other current assets	16	609.81	529.84
Total current assets		18,304.11	16,210.47
Total		35,412.03	32,207.65
Equity And Liabilities			
Equity			
(a) Share capital	17	672.41	672.41
(b) Other equity	18	28,646.73	26,195.52
(c) Equity attributable to the owners of the company		29,319.13	26,867.93
(d) Non Controlling interest	19	125.35	524.91
Total Equity		29,444.49	27,392.84
Non-Current Liabilities			
(a) Financial liabilities			
i) Borrowings	20	64.09	74.20
(b) Provisions	21	126.65	113.38
Total Non-current liabilities		190.74	187.58
Current liabilities			
(a) Financial liabilities			
i) Borrowings	22	123.97	263.62
ii) Trade payables			
Trade payables -MSMED	23	664.93	605.03
Trade payables -Others	23	3,657.10	2,810.53
iii) Other financial liabilities	24	899.71	699.81
(b) Other current liabilities	25	422.00	239.36
(c) Provisions	26	9.09	8.89
Total current liabilities		5,776.80	4,627.24
Total		35,412.03	32,207.65
Significant Accounting Policies and Notes on Financial Statements	1-50		

As per our attached report of even date

On behalf of the Board of Directors

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

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

Sushil U. Lakhani
Director

Jatin A. Thakkar
Partner
Membership No. : 134767
Mumbai, 15th May 2021

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 15th May 2021

Suchita Singh
Company Secretary

Statement of Consolidated Profit and Loss for the year ended 31st March 2021

	Notes	2020-2021 (₹ in lakhs)	2019-2020 (₹ in lakhs)
Revenue From Operations	27	27,444.58	26,804.28
Other Income	28	1,533.09	303.78
Total Revenue		28,977.67	27,108.06
Expenses :			
Cost of Materials Consumed	29	12,187.93	12,333.30
Purchases of Stock-in-trade	30	2,181.99	1,970.57
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	31	(37.95)	(116.75)
Employee Benefits Expense	32	5,395.66	5,716.43
Finance Costs	33	42.19	78.29
Depreciation and Amortisation expense	34	455.45	434.80
Other Expenses	35	5,899.48	5,902.21
Total Expenses		26,124.75	26,318.85
Profit before Tax		2,852.92	789.21
Current Tax		901.11	496.05
Deferred Tax		(52.41)	(7.30)
Short/Excess provision of IT for earlier year		(36.67)	(8.04)
Total Tax Expense		812.03	480.71
Profit for the Year		2,040.89	308.50
1 Other Comprehensive Income			
i) Items that will not be reclassified to profit or loss		19.91	39.37
ii) Income Tax relating to items that will not be reclassified to profit or loss		(3.85)	1.38
i) Items that will be reclassified to profit or loss		-	-
ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
2 Other Comprehensive Income (1+2)		16.06	40.75
Total Comprehensive Income		2,056.95	349.25
Profit attributable to:			
Owners of the Company		2,034.43	187.29
Non Controlling Interests		6.45	121.21
Other Comprehensive Income attributable to:			
Owners of the Company		16.05	42.06
Non Controlling Interests		0.01	(1.31)
Total Comprehensive Income attributable to:			
Owners of the Company		2,050.48	229.35
Non Controlling Interests		6.46	119.90
Earning Per Equity Share of Face Value of ₹ 5 each	36		
Basic (in ₹)		15.13	1.39
Diluted (in ₹)		15.13	1.39
Significant Accounting Policies and Notes on Financial Statements	1-50		

As per our attached report of even date

On behalf of the Board of Directors

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

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

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Partner
Membership No. : 134767
Mumbai, 15th May 2021

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 15th May 2021

Suchita Singh
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

(a) Equity share capital

	No. of Shares	(₹ In lakhs)
Balance as at 31 st March 2019	1,34,48,288	672.41
Changes in equity share capital	-	-
Balance as at 31 st March 2020	1,34,48,288	672.41
Changes in equity share capital	-	-
Balance as at 31 st March 2021	1,34,48,288	672.41

(b) Other Equity

Particulars	Reserves and Surplus				OCI Remeasurements of the net defined benefit Plans	Total other equity	Non-Controlling interests
	Capital Reserve on Consolidation	General Reserve	Share Premium	Retained earnings			
Balance as at 31st March 2019	14.72	1,152.42	613.05	23,724.77	(33.38)	25,471.56	405.01
Profit for the year	-	-	-	187.29	-	187.29	121.21
Effect of previous year transaction	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	42.06	42.06	(1.31)
Total comprehensive income for the year	-	-	-	187.29	42.06	229.35	119.90
Transfer to General Reserve	-	70.00	-	(70.00)	-	-	-
Interim Dividend	-	-	-	245.00	-	245.00	-
Tax on Interim Dividend	-	-	-	55.50	-	55.50	-
Dividend Paid	-	-	-	292.93	-	292.93	-
Tax on Dividend Paid	-	-	-	149.22	-	149.22	-
Set off of Dividend Tax in respect of Dividend from Subsidiary Company	-	-	-	(84.28)	-	(84.28)	-
Deduction during the year	-	-	-	1,152.99	-	1,152.99	-
Balance as at 31st March 2020	14.72	1,222.42	613.05	24,336.68	8.67	26,195.52	524.91
Profit for the year	-	-	-	2,034.43	-	2,034.43	6.45
Effect of previous year transaction	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	16.05	16.05	0.01
Total comprehensive income for the year	-	-	-	2,034.43	16.05	2,050.48	6.46
Transfer to General Reserve	-	70.00	-	(70.00)	-	-	-
Interim Dividend	-	-	-	-	-	-	-
Tax on Interim Dividend	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-
Tax on Dividend Paid	-	-	-	-	-	-	-
Set off of Dividend Tax in respect of Dividend from Subsidiary Company	-	-	-	-	-	-	-
Deduction during the year	-	-	-	400.72	-	400.72	406.01
Balance as at 31st March 2021	14.72	1,292.42	613.05	26,701.83	24.72	28,646.73	125.35

As per our attached report of even date

On behalf of the Board of Directors

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

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

Sushil U. Lakhani
Director

Jatin A. Thakkar
Partner
Membership No. : 134767
Mumbai, 15th May 2021

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 15th May 2021

Suchita Singh
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March 2021

(₹ in lakhs)

Particulars	2020-2021		2019-2020	
A Cash Flow from Operating Activities				
Profit before tax		2,852.90		789.20
Adjustments for :				
Depreciation and amortisation	455.45		434.80	
Loss on Sale of Property, plant & equipments	5.06		0.05	
Finance Cost	42.19		78.29	
		502.71		513.14
Less :				
Foreign Exchange Fluctuation	0.60		55.49	
Net Gain on sale of Investments	413.70		223.47	
Fair valuation of Investments (Net)	864.78		(397.65)	
Effect of previous year transaction/Preacquisition profits	(22.89)		(1,223.46)	
Dividend Received	6.45		10.32	
		(1,262.63)		1,331.83
Operating Profit before working capital changes		2,092.98		2,634.17
Adjustments for :				
Trade and Other Receivables	62.41		1,162.11	
Inventories	(200.26)		(267.66)	
Trade and Other Payables	1,323.00		(433.37)	
		1,185.15		461.07
Cash generated from operations		3,278.13		3,095.24
Income taxes paid (Net of Refund)		(777.05)		(729.25)
Net Cash from Operating Activities (A)		2,501.08		2,366.00
B Cash Flow from Investing Activities				
Payment to acquire Property, plant & equipments		(436.75)		(1,959.55)
Proceeds from Sale of Property, plant & equipments		182.44		250.03
Purchase of Investment		(6,378.72)		(3,309.32)
Sale of Investment		5,504.42		3,820.16
Dividend Income		6.45		10.32
Net Cash used in Investing Activities (B)		(1,122.16)		(1,188.36)
C Cash Flow from Financing Activities				
Proceeds/(Repayment) of Short Term Borrowings		(138.58)		(353.38)
Dividend paid		-		(537.93)
Tax on dividend paid		-		(175.11)
Proceeds/(Repayment) of Long Term Borrowings		(10.11)		22.05
Finance Cost		(42.19)		(78.29)
Net Cash from Financing Activities (C)		(190.88)		(1,122.66)
Net (Decrease)/Increase in Cash & Cash Activities (A+B+C)		1,188.04		54.97
Cash and Cash Equivalents and Other Bank Balances as on Opening		1,352.52		1,297.55
Cash and Cash Equivalents and Other Bank Balances as on Closing (Note 11 & 12)		2,540.57		1,352.52

Amendment to Ind AS 7-

Amendment to Ind AS 7 effective from 1st 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.	As at 1 st April 2020	Cashflow	Foreign Exchange Movement	As at 31 st March 2021
Non-current liabilities					
- Borrowings	20	74.20	(10.11)	-	64.09
Current Liabilities					
- Borrowings	22	263.62	(139.65)	-	123.97
- Other financial liabilities					
Unpaid dividends	24	14.74	2.30	-	17.04
Total		352.56	(147.46)	-	205.10

As per our attached report of even date

On behalf of the Board of Directors

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

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

Sushil U. Lakhani
Director

Jatin A. Thakkar
Partner
Membership No. : 134767
Mumbai, 15th May 2021

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 15th May 2021

Suchita Singh
Company Secretary

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

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 the BSE Limited (BSE) & National Stock Exchange of India limited (NSE). The Registered office of the Company is situated at Chembond Centre, EL-71, MIDC Mahape, Navi Mumbai -400710, Maharashtra.

These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies').

The group is engaged in manufacturing of Speciality Chemicals.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of consolidated financial statements and presentation

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

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

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

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

1.2 Basis of consolidation

Subsidiaries are all entities over which the Company has control. Control exist when the company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries has been changed wherever necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

Sr.No	Name of the Subsidiary Company & Associates	Country of Incorporation	Proportion of ownership interest either directly or through subsidiary
	Direct Subsidiaries		
1.	Chembond Water Technologies Limited (CWTL)	India	100%
2.	Chembond Material Technologies Private Limited (CMTPL)	India	100%
3.	Chembond Biosciences Limited (CBL)	India	100%
4.	Chembond Polymers and Materials Limited (CPML)	India	100%
5.	Chembond Calvatis Industrial Hygiene Systems Limited (CCIHSL)	India	55%
6.	Phiroze Sethna Private Limited (PSPL)	India	100%
7.	Chembond Distribution Limited (CDL)	India	100%
	Indirect Subsidiaries		
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%

1.3 Summary of significant accounting policies
a) Property, Plant and Equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

b) Intangible Assets

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

c) Capital Work in Progress & Capital Advances

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

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021**d) Depreciation and Amortisation**

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

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

Depreciation in the case of Subsidiary Companies, Chembond Water Technologies Ltd. (CWTL), Chembond Clean Water Technologies Ltd. (CCWTL), Chembond Calvatis Industrial Hygiene Systems Ltd. (CCIHSL), Chembond Distribution Ltd.(CDL), Phiroze Sethna Private Ltd.(PSPL) and Gramos Chemicals India Pvt. Ltd.(GC IPL) are provided on written down value method at the rates specified in part C of Schedule II of the Companies Act, 2013.

Depreciation on Fixed Assets in case of Subsidiary Companies, Chembond Material Technologies Private Limited (CMTPL) & Chembond Biociences Limited (CBL) are provided on the straight line method at the rates and in the manner specified in part C of Schedule II of the Companies Act, 2013.

e) Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discount or rebates and applicable taxes and duties collected on behalf of the government and which are levied on such sales.

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

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

f) 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 which they are incurred.

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

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

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

Company as a lessor

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

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

g) Inventory:

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

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

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

h) Impairment of Assets

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

i) Financial Instruments

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

a. Financial assets

Classification

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

Initial recognition and measurement

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

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

Debt instruments

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

Equity instruments

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

De-recognition

A financial asset derecognised only when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

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

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

b. Financial liabilities

Initial recognition and measurement

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

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

Financial liabilities at fair value through profit and loss

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

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

Derecognition

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

C. Hedge accounting

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

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value of cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021**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:

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

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

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

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

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

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

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

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

k) Foreign Currency Transactions and Translation:

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

l) Trade Receivables

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

m) Income Taxes

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

Current tax:

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

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

Deferred tax:

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

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

n) Cash and Cash Equivalents

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

o) Employee Benefits

Short Term Employee Benefits

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

Post-Employment Benefits:

I. Defined Contribution plans:

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

II. Defined Benefit plans:

Pension Scheme

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

Gratuity

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

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

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

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

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

p) Research and Development

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

q) Borrowing Cost

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

r) Earnings per share

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

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

s) Current / Non-Current Classification:

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

t) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

Contingent liability is disclosed in case of

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

Contingent Assets are neither recognised, nor disclosed.

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

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

u) Key accounting estimates and judgements

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

The areas involving critical estimates or judgements are:

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

2 Property, plant and equipment, Intangibles and Capital work in progress as at 31st march 2021

Description	GROSS BLOCK (AT COST)			DEPRECIATION INCLUDING AMORTISATION				NET BLOCK	
	As at 1.04.2020	Additions	Deductions	As at 31.03.2021	As at 1.04.2020	Additions	Deductions	As at 31.03.2021	As at 31.03.2020
Property, plant and equipment									
Tangible Assets									
Leasehold Land	73.30	24.98	-	98.28	4.19	1.04	-	5.23	69.10
Freehold Land	152.61	-	4.52	148.09	-	-	-	148.09	152.61
Buildings	2,654.60	30.19	25.58	2,659.21	332.55	86.53	0.76	418.32	2,322.06
Equipment & Machinery	2,479.68	317.27	169.68	2,627.27	645.72	259.80	25.15	880.38	1,833.96
Computers Hardware	152.33	15.72	2.51	165.54	94.14	20.43	1.17	113.40	58.19
Furniture & Fixtures	221.18	5.16	1.06	225.28	83.24	22.89	0.06	106.07	137.94
Motor Cars	133.25	-	16.57	116.68	67.30	13.94	14.61	66.63	65.95
Electric Fittings & Installations	252.11	6.22	13.76	244.57	67.13	25.30	0.53	91.90	184.98
Sub- total	6,119.06	399.54	233.68	6,284.92	1,294.27	429.93	42.28	1,681.92	4,824.79
Intangible Assets									
Goodwill	7,489.45	-	-	7,489.45	-	-	-	-	7,489.45
Technical Know How	52.71	-	-	52.71	28.98	7.60	-	36.58	23.73
Computer Software	95.88	11.44	-	107.32	42.59	17.92	-	60.51	53.29
Sub- total	7,638.04	11.44	-	7,649.48	71.57	25.52	-	97.09	7,566.47
Total	13,757.10	410.98	233.68	13,934.40	1,365.84	455.45	42.28	1,779.01	12,391.26
Previous Year	11,866.25	1,951.70	60.85	13,757.10	944.47	434.80	13.43	1,365.84	10,921.78
Capital Work in Progress									7.08
									36.75

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

3 Financial Assets (Non-Current)	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
Investments		
Other Investments amortised at Cost (Unquoted)		
2,848 (2,848) Equity Shares of Tarapur Environment Protection Organisation Ltd. of ₹ 100/- each fully paid up.	5.08	4.69
2647 (Nil) Equity Shares of Genesis Artificial Intelligence Pvt Ltd of ₹ 10/- each fully paid up.	105.00	-
Investments in Equity Shares carried at fair value through Profit and Loss Quoted		
Nil (1,205) Equity Shares of Kotak Mahindra Bank Ltd. of ₹5/- each fully paid up.	0.00	15.62
16,200 (16,200) Equity Shares of Hindustan Petroleum Corporation Ltd. of ₹ 10/- each fully paid up.	37.99	30.80
7,250 (7,250) Equity Shares of HDFC Limited of ₹ 2/- each fully paid up	181.17	118.21
3,800 (3,800) Equity Shares of Tata Consultancy Services Limited of ₹1/- each fully paid up	120.75	69.28
Investments in Mutual fund carried at fair value through Profit and Loss Quoted		
1,00,991.79 (Nil) Units of SBI Magnum Gilt Fund-Short Term-Regular plan Growth	50.85	-
24,30,254.12 (12,74,878.225) Units of ICICI Prudential Short Term Gilt Fund-Growth	1,884.89	913.13
2,76,835.70 (4,40,958.165) Units of Kotak Standard Multicap Fund- Growth	124.47	149.56
1,24,058.06 (2,48,158.061) Units of Mirae Assets India Equity Fund Regular- Growth	81.26	96.37
33,544.88 (NIL) Units of Kotak Gilt Fund (Investment Regular)-Growth	25.34	-
74,583.87 (NIL) Units of Kotak Bond Fund(Short Term)-Growth (Regular Plan)	30.47	-
3,98,474.652 (NIL) Units of ICICI Prudential Mutual Fund Coll 1 AC	90.41	-
2,20,253.841 (NIL) Units of Kotak Bond STP(G)	89.98	-
Other Investments Quoted (carried at fair value through Profit and Loss)		
20,00,000 (20,00,000) Units of Axis Fixed Term Plan Series 976 - Growth	235.25	215.85
45,000 (45,000) Units of Tata Capital Financial Services Ltd. NCD	457.26	450.45
Total	3,520.17	2,063.95
Aggregate amount of Quoted Investments and market value there of	2,952.82	1,608.80
Aggregate amount of Unquoted Investments	567.36	455.15
Aggregate amount of Impairment in value of investment	-	-
4 Other Non- Current Financial Assets (Unsecured & considered good)		
Fixed Deposit of Maturity of More than 12 Months	438.72	731.85
Other Deposits	52.73	55.64
Total	491.45	787.49
5 Deferred Tax Asset (Net)		
Deferred tax Asset		
Gratuity	12.17	10.70
MAT Credit	642.34	670.85
Other Deferred tax Asset	4.29	10.49
Provision for Doubtful Debts	122.28	35.32
	781.08	727.37
Deferred tax Liability		
Depreciation	523.78	519.31
Investments at Fair Value	48.84	50.95
	572.62	570.26
Net Deferred Tax Asset	208.46	157.10
Total	208.46	157.10
6 Income tax asset (net)		
Income Tax (Net of Provision)	616.56	569.81
Total	616.56	569.81

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

7 Other non-current assets

	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
Capital Advances	15.58	3.52
Other Advances	15.83	2.77
Prepaid expenses	34.25	0.25
Gratuity	2.77	3.23
VAT Refund Receivable	10.73	10.73
Total	79.15	20.49

8 Inventories

(At lower of Cost and Net Realisable Value)

Raw Material	1,527.85	1,368.24
Packing Material	164.51	152.68
Finished Goods	809.93	929.83
Stock-in-Trade	445.65	297.31
Stock in Transit	0.66	0.27
	2,948.60	2,748.34
Less: Stock Reserve	15.67	15.37
Total	2,932.94	2,732.98

9 Investments (Current)

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

Nil (986) Equity Shares of Coromandel International Ltd. of ₹ 1/- each fully paid up.	-	5.39
Nil (7,259) Equity Shares of Kalpatru power Transmission Ltd. of ₹ 2/- each fully paid up.	-	13.26
Nil (8,410) Equity Shares of Sun Pharmaceutical Industries Ltd. of ₹ 1/- each fully paid up.	-	29.63
6,550 (11,834) Equity Shares of ICICI Bank Ltd. of ₹ 10/- each fully paid up.	38.13	38.31
1,854 (Nil) Equity Shares of Tata Communications Ltd. of ₹ 10/- each fully paid up.	19.70	-
Nil (1,870) Equity Shares of HDFC Bank Ltd.	-	16.12
Nil (1,155) Equity Shares of Infosys Ltd	-	7.41
Nil (2,055) Equity Shares of ACC Ltd	-	19.90
717 (887) Equity Shares of Divis Laboratories Ltd	25.98	17.64
1,794 (1,812) Equity Shares of Vardhaman Textiles Ltd.	23.28	11.33
Nil (712) Equity Shares of Bajaj Finance Ltd	-	15.78
Nil (8,520) Equity Shares of Biocon Ltd	-	23.05
Nil (740) Equity Shares of Bajaj Auto Ltd	-	14.97
3,430 (3,550) Equity Shares of Bharat Petroleum Corporation Ltd	14.68	11.25
Nil (275) Equity Shares of Britannia Industries Ltd	-	7.39
Nil (4,850) Equity Shares of Investment in DLF Ltd	-	6.67
Nil (2,580) Equity Shares of The Ramco Cements Ltd	-	13.23
Nil (810) Equity Shares of Trent Ltd	-	3.92
263 (Nil) Equity Shares of Bajaj Finserv Ltd.	25.43	-
3,610 (Nil) Equity Shares of HDFC Life Insurance Company Ltd.	25.13	-
3,330 (Nil) Equity Shares of HCL Technologies Ltd.	32.72	-
11,588 (Nil) Equity Shares of Tata Motors Ltd	34.97	-
537 (Nil) Equity Shares of HIL Ltd.	16.37	-
11,500 (Nil) Equity Shares of Kirloskar FERR	18.88	-
2,645 (Nil) Equity Shares of Ramco Systems Ltd.	14.01	-
3,885 (Nil) Equity Shares of SBI	14.15	-
1,275 (Nil) Equity Shares of CEAT LTD	19.85	-
1,198 (Nil) Equity Shares of Dalmia Bharat	19.04	-

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
23,432 (Nil) Equity Shares of JMC Projects	17.60	-
990 (Nil) Equity Shares of ICICI Securities	3.79	-
4,850 (Nil) Equity Shares of Bajaj Consumer Care Ltd	12.61	-
479 (Nil) Equity Shares of Oracle Financial Services Software Ltd	15.32	-
12,089 (Nil) Equity Shares of Phillips Carbon Black Ltd.	23.07	-
Investments in Mutual Funds carried at fair value through Profit and Loss		
49.542 (49.542) Units of Reliance Liquid Fund -Treasury Plan - Daliy Dividend	0.81	0.79
7,158.091 (50,769.648) Units of ICICI Prudential Liquid- Regular Plan-Growth	21.69	148.50
63,483.249 (NIL) Units of ICICI Prudential Gilt Fund -Growth	49.24	-
1,46,756.677 (3,03,034.345) Units of Kotak Select Focus Fund Regular Plan Growth	32.99	81.85
Nil (1,35,931.375) Units of SBI Blue Chip Fund Regular Plan Growth	-	40.44
Nil (2,25,408.723) Units of DSP Black Rock Focus 25 Fund Growth	-	39.46
Nil (21,56,825.895) Units of ICICI prudential Short Term Growth Option	-	439.26
Nil (3.4584) Units of Kotak Money Market Scheme Regular Plan Growth	-	0.11
13,32,667.29 (6,19,690.746) Units of Kotak Treasury Advantage Fund Regular Plan Growth	449.52	198.88
Nil (28,180.987) Units of Kotak low Duration Fund	-	694.48
Nil (1,140.678) Units of Kotak Liquid Scheme Regular Plan Growth	-	45.63
39,457.47 (56.218) Units of ICICI prudential Money Market Fund Regular Plan Growth	115.64	0.16
Nil (67,333.945) Units of SBI - EQUITY HYBRID FUND REG (G)	-	79.92
Nil (11,11,990.033) Units of ICICI PRU - BALANCED ADVANTAGE FUND	-	339.94
14,06,855.59 (6,94,136.292) Units of AXIS – BLUECHIP FUND (G)	544.59	180.48
58,89,347.65 (17,61,386.103) Units of HDFC Ultra Short term fund Reg- Growth	697.66	197.37
53,968.91 (9194.84) Units of ICICI Prudential Money Market Fund - Growth	158.17	25.41
4,45,198.52 (NIL) Units of Kotak Floater Short Term - Growth	181.88	-
Nil (1,39,722.507) Units of HDFC Hybird Equity Fund-Growth	-	59.32
7,390.087(7,390.087) Units of HDFC Equity Fund- Growth	58.93	33.83
4,35,123.297 (1,00,295) Units of Mirae Asset Equity Fund Fund-Regular Growth	252.18	38.95
9,588.34 (Nil) Units of Axis Liquid Fund Growth	217.92	-
1612.16 (Nil) Units of Mirae Asset Cash Management Fund- Growth	34.56	-
63,508.966(1,27,018.966) Units of SBI Blue Chip Fund-Regular Growth	32.89	37.79
Nil (57,933) Units of SBI Equity Hybrid Fund-Regular Plan Growth	-	68.76
Nil (1,975.5950) Units of NIPPON INDIA - MONEY MARKET FUND (G)	-	59.91
2,72,343.50 (Nil) Units of ICICI Prudential Corporate Bond Fund	61.79	-
1,80,925.781 (Nil) Units of Kotak Bond Short Term Fund	73.92	-
Total	3,763.04	3,066.47
Aggregate amount of Quoted Investments and Market Value thereof	3,763.04	3,066.47
10 Trade Receivables (Unsecured)		
Unsecured Considered Good	8,811.15	8,374.28
Unsecured Considered doubtful	457.91	133.68
Less : Provision for Doubtful Debts	457.91	133.68
Total	8,353.24	8,240.61
a For Related party transactions Refer Note No.41		
11 Cash and Cash equivalents		
Balances with banks	965.20	241.01
In Current Accounts	3.76	4.71
Cash on hand	-	-
Total	968.96	245.73

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
12 Bank balances other than cash and cash equivalents		
Margin money (Including deposits with original maturity of more than 3 months) In Unpaid Dividend Accounts	1,554.56 17.04	1,092.05 14.74
Total	1,571.60	1,106.79
13 Loans (Unsecured & considered good)		
Loan and advance to Employees Loans and Advances others	19.45 15.74	20.37 25.50
Total	35.19	45.87
14 Other Current Financial Assets (Unsecured & considered good)		
Security Deposits Deposit - Excise	54.83 4.47	61.79 4.47
Total	59.31	66.26
15 Current Tax (Net)		
Current Tax (Net)	10.02	175.92
Total	10.02	175.92
16 Other Current Assets		
Accrued Interest Prepaid expenses Advances for supply of goods and services Balances with government authorities Other Current Assets	29.17 30.57 259.00 207.25 83.82	22.37 56.63 202.39 143.88 104.58
Total	609.81	529.84
17 Share Capital		
Authorised 2,00,00,000 (P.Y 2,00,00,000) Equity Shares of ₹ 5/- each	1,000.00	1,000.00
Issued, Subscribed and Paid up 134,48,288 (P.Y 134,48,288) Equity Shares of ₹ 5/- each fully paid up	672.41	672.41
Total	672.41	672.41
a Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:		
Number of shares outstanding at the beginning of the year	1,34,48,288	1,34,48,288
Additions during the year	-	-
Deductions during the year	-	-
Number of shares outstanding at the end of the year	1,34,48,288	1,34,48,288
b Details of Shareholders holding more than 5% Shares		
Name of the Shareholder	No. of shares	No. of shares
Nirmal V. Shah	17,09,092	16,99,291
% held	12.71%	12.64%
Sameer V. Shah	16,09,661	15,86,124
% held	11.97%	11.79%
Padma V. Shah	16,22,312	15,68,234
% held	12.06%	11.66%
Visan Holdings Pvt. Ltd.	13,07,630	13,05,820
% held	9.72%	9.71%

c 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.

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

18 Other Equity	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
Capital Reserve on Consolidation		
As per last year	14.72	14.72
Less : Transfer to Profit & Loss A/c	-	-
	<u>14.72</u>	<u>14.72</u>
General Reserve		
As per last year	1,222.42	1,152.42
Add: Transfer from Profit & Loss A/c	70.00	70.00
Less: Transfer to Minority Interest	-	-
	<u>1,292.42</u>	<u>1,222.42</u>
Share Premium		
As per last year	613.05	613.05
Add: Received on ESOP Shares Issue	-	-
	<u>613.05</u>	<u>613.05</u>
Retained Earnings		
As per last year	24,336.67	23,724.77
Add: Depreciation expense for earlier years	-	-
Add: Profit for the Year	2,034.43	187.29
Addition / (Deduction) during the year	400.72	1,152.99
	<u>26,771.82</u>	<u>25,065.04</u>
Less: Appropriations		
Transferred to General Reserve	70.00	70.00
Set off of Dividend Tax in respect of Dividend from Subsidiary Company	-	(84.28)
Interim Dividend	-	245.00
Tax on Interim Dividend	-	55.50
Dividend Paid	-	292.93
Tax on Dividend Paid	-	149.22
	<u>26,701.82</u>	<u>24,336.67</u>
Other Comprehensive Income (OCI)		
Remeasurements of the net defined benefit Plans		
As per last year	8.68	(33.38)
Addition during the year	16.05	40.75
Less: Non Controlling Interest	0.01	(1.31)
	<u>24.73</u>	<u>8.68</u>
Total	<u><u>28,646.73</u></u>	<u><u>26,195.52</u></u>
19 Non Controlling Interest		
Share Capital		
Opening Balance	419.84	419.84
Addition during the year	-	-
Deduction during the year	397.35	-
Closing Balance	<u>22.50</u>	<u>419.84</u>
Share Premium		
As per last year	4.05	4.05
Add: Received during the year	-	-
	<u>4.05</u>	<u>4.05</u>
Retained Earnings		
Opening Balance	101.02	(18.88)
Less : Dividend Paid	-	-
Addition during the year	6.45	121.21
Add: Non Controlling Interest (OCI)	0.01	(1.31)
Deduction during the year	8.66	-
Closing Balance	<u>98.81</u>	<u>101.02</u>
Total	<u><u>125.35</u></u>	<u><u>524.91</u></u>

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

	As at 31/03/2021 (₹ in lakhs)	As at 31/03/2020 (₹ in lakhs)
20 Borrowings- Non current		
Unsecured		
Loans from Related Parties	-	10.00
Loans from Others	64.09	64.20
	<u>64.09</u>	<u>74.20</u>
Total	<u><u>64.09</u></u>	<u><u>74.20</u></u>
21 Provisions- Non Current		
Provision for Gratuity	126.65	113.38
	<u>126.65</u>	<u>113.38</u>
Total	<u><u>126.65</u></u>	<u><u>113.38</u></u>
22 Current Borrowings (Repayable on demand)		
Secured		
Over Draft Facilities from Banks	68.97	168.62
Unsecured		
Loan From Related parties	55.00	95.00
	<u>55.00</u>	<u>95.00</u>
Total	<u><u>123.97</u></u>	<u><u>263.62</u></u>
a Over draft facility are Secured against Fixed Deposit.		
b Working Capital / Buyers Credit loan is secured by charge on current asset, Mortgage of Tangible Immovable Properties and charge on other Property, Plant and Equipments.		
23 Trade Payables		
Micro, Small and Medium Enterprises	664.93	605.03
Others	3,657.10	2,810.53
	<u>4,322.03</u>	<u>3,415.56</u>
Total	<u><u>4,322.03</u></u>	<u><u>3,415.56</u></u>
a For Related party transaction Refer Note No.41		
b 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	664.93	605.03
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	1.06	0.90
Payment made to suppliers (other than interest) beyond the appointed day, during the year	605.03	205.80
Interest paid/adjusted to suppliers under MSMED Act, 2006 (other than section 16)	0.90	0.25
Interest paid/adjusted to suppliers under MSMED Act, 2006 (Section 16)	NIL	NIL
Interest due and payable to suppliers under MSMED Act, 2006 for payments already made	1.06	0.90
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	1.06	0.90
The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.		
24 Other Current Financial Liabilities		
Other Payables	131.11	77.30
Employee benefits	736.97	593.28
Creditors for Capital Expenditure	14.59	14.49
Unclaimed Dividend *	17.04	14.74
	<u>899.71</u>	<u>699.81</u>
Total	<u><u>899.71</u></u>	<u><u>699.81</u></u>
* Not due for Deposit to Investor Education and Protection Fund		
25 Other Current Liabilities		
Advance Received From Customers	189.47	90.92
Statutory Dues	135.40	58.85
Other payable	97.13	89.58
	<u>422.00</u>	<u>239.36</u>
Total	<u><u>422.00</u></u>	<u><u>239.36</u></u>
26 Short-term Provisions		
Provision for Expenses	5.84	5.35
Provision for Gratuity	3.25	3.55
	<u>9.09</u>	<u>8.89</u>
Total	<u><u>9.09</u></u>	<u><u>8.89</u></u>

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

	2020-2021 (₹ in lakhs)	2019-2020 (₹ in lakhs)
27 Revenue from Operations		
Sale of Goods	25,433.60	24,843.67
Sales of Services		
Technical Service Income	1,867.35	1,850.85
Other Operating revenue		
Bad Debts Recovered	7.43	0.02
Miscellaneous Income	136.19	109.75
	<u>143.63</u>	<u>109.77</u>
Total	<u><u>27,444.58</u></u>	<u><u>26,804.28</u></u>
28 Other Income		
Dividend from Equity Investments	6.43	10.30
Dividend from Mutual Funds	0.02	0.03
	<u>6.45</u>	<u>10.32</u>
Net gain on Sale/fair valuation of investments through profit & loss *	1,278.48	-
Gross Interest	182.09	158.84
Gross Rental Income	12.51	12.48
Profit on Sale of Fixed Assets	9.12	21.03
Foreign Exchange Fluctuation Gain/ (Loss)	0.60	55.49
Discount Received	11.25	10.92
Miscellaneous Income	32.58	34.70
Total	<u><u>1,533.09</u></u>	<u><u>303.78</u></u>
* Adjusted fair value gain/(loss) as at 31 st March 2021 amounting to ₹ 864.78 lakhs (31 st March 2020 ₹ Nil)		
29 Cost of materials consumed		
Raw Materials Consumed	11,005.75	11,143.10
Packing Material	1,182.18	1,190.20
Total	<u><u>12,187.93</u></u>	<u><u>12,333.30</u></u>
30 Purchases of stock-in-trade		
Purchases of Stock-in-trade	2,181.99	1,970.57
Total	<u><u>2,181.99</u></u>	<u><u>1,970.57</u></u>
31 Changes in inventory of Finished goods, Work in progress and Traded goods		
Finished products/ Stock in Trade (At Close)	1,171.81	1,133.86
Finished products/ Stock in Trade (At commencement)	1,133.86	1,017.12
Total	<u><u>(37.95)</u></u>	<u><u>(116.75)</u></u>
32 Employee benefit expenses		
Director Remuneration	221.25	297.82
Salaries & Wages	4,687.29	4,854.84
Contribution to Provident & other funds	360.45	377.39
Staff Welfare Expenses	126.67	186.38
Total	<u><u>5,395.66</u></u>	<u><u>5,716.43</u></u>
a For Related party transaction Refer Note No.41		

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

	2020-2021 (₹ in lakhs)	2019-2020 (₹ in lakhs)
33 Finance Cost		
Interest Expense		
- Banks	18.81	55.66
- MSMED	1.06	0.90
- Others	12.11	1.09
Bank Guarantee fees & charges	10.21	20.65
Total	42.19	78.29
34 Depreciation and Amortisation expenses		
Depreciation and Amortisation Expenses	455.45	434.80
Total	455.45	434.80
35 Other Expenses		
Manufacturing Expenses		
Freight Inwards	16.70	8.00
Consumable stores	338.26	366.61
Power, Fuel & Water Charges	92.70	103.70
Research and Development	92.47	123.35
Lab Expenses	4.03	23.10
Repairs and Renewals to Plant & Machinery	45.13	47.48
Godown Rent	25.71	36.11
Labour Charges	792.78	706.05
Security Expenses	83.90	87.06
Factory Maintenance	48.79	59.00
Technical Service Charges	102.89	107.19
A	1,643.37	1,667.65
Administrative Expenses		
Director's Sitting Fees	11.63	12.90
Rates & Taxes	50.96	51.49
Electricity charges	30.06	46.15
Printing and stationary	18.57	30.93
Telephone & Postage Expenses	48.07	72.63
Insurance	62.30	54.35
Motor car expenses	70.57	68.67
Auditors Remuneration (See note a)	36.72	34.26
Legal, Professional & consultancy fees	525.66	499.53
Repairs & Maintenance Buildings	6.64	19.70
Repairs & Maintenance Others	143.64	161.69
Miscellaneous expenses	94.99	126.79
Donation	2.43	0.27
Corporate Social responsibility	33.85	37.00
Sales Tax & Other Taxes	11.90	22.53
Loss on Sale of Fixed Asset	5.06	0.05
Net loss on Sale/fair valuation of investments through profit & loss *	-	174.17
Provision for Doubtful Debts	328.90	120.14
Input Service Tax Disallowed	-	0.37
Input GST Disallowed	17.04	12.67
Foreign Exchange Fluctuation Loss/ (Gain)	42.23	4.66
Debit Balance Written Off	0.08	0.66
Bad Debts Written Off	370.21	162.78
Computer Expense	26.59	20.21
B	1,938.11	1,734.59

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021**Selling and Distribution Expenses**

	2020-2021 (₹ in lakhs)	2019-2020 (₹ in lakhs)
Carriage outwards	1,067.26	952.94
Rent	70.71	75.29
Commission on sales	279.81	227.94
Travelling Expenses	358.57	611.61
Conveyance expenses	153.69	186.21
Royalty Expenses	30.83	27.56
Advertising & Publicity Expenses	8.42	33.96
Warehousing Charges	18.71	21.75
Packing Expenses	8.01	7.58
Sales Promotion Expenses	318.98	352.18
Business Support Services	2.97	2.93
C	2,318.00	2,499.98
Total (A+B+C)	5,899.48	5,902.21

* Adjusted fair value gain/(loss) as at 31st March 2021 amounting to ₹ Nil lakhs (31st March 2020 (₹ 397.65) lakhs)

a Auditor's Remuneration consists of:

	2020-2021 (₹ In lakhs)	2019-2020 (₹ In lakhs)
Statutory Audit Fees	27.91	25.52
Tax Audit Fees	5.37	5.97
Taxation and Other Matters	3.44	2.62
Out of Pocket Expense	-	0.15
Total	36.72	34.26

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:

	Total Lease Outstanding as on 31/03/2021 (₹ In lakhs)	Total Minimum Lease Payment Outstanding as on 31/03/2020 (₹ In lakhs)
Due within one year	44.11	41.37
Due later than one year and not later than five years	-	8.17
Due later than five years	-	-
Lease payments recognised in the Statement of Profit & Loss	156.90	156.18

36 EARNINGS PER SHARE

	2020-2021 (₹ In lakhs)	2019-2020 (₹ In lakhs)
Net Profit available to Equity Shareholders (₹ In Lakhs)	2,034.42	187.28
Total number of Equity Shares (Face value of ₹ 5/- each fully paid up)	1,34,48,288	1,34,48,288
Weighted No. of Equity Shares	1,34,48,288	1,34,48,288
Basic Earnings per Share (in Rupees)	15.13	1.39
Diluted No. of Equity Shares	1,34,48,288	1,34,48,288
Diluted Earnings per Share (in Rupees)	15.13	1.39

37 Segment Reporting

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

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

38 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

	As at 31 st March 2021							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents (Including other bank balances)			2,540.57	2,540.57				-
Investments								
- Mutual Funds	5,961.25			5,961.25	5,961.25			5,961.25
- Equity Shares (Quoted)	754.61			754.61	754.61			754.61
- Equity Shares (Unquoted)			110.08	110.08				-
- Preference shares and bonds			457.26	457.26				-
Trade and other receivables			8,353.24	8,353.24				-
Loans			35.19	35.19				-
Other financial assets			550.76	550.76				-
TOTAL	6,715.86	-	12,047.10	18,762.96	6,715.86	-	-	6,715.86
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)			64.09	64.09				-
Short term borrowings			123.97	123.97				-
Trade and other payables			4,322.03	4,322.03				-
Other financial liabilities			899.71	899.71				-
TOTAL	-	-	5,409.80	5,409.80	-	-	-	-

	As at 31 st March 2020							
	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
Financial assets								
Cash and cash equivalents (Including other bank balances)			1,352.52	1,352.52				-
Investments								
- Mutual Funds	4,186.14			4,186.14	4,186.14			4,186.14
- Equity Shares (Quoted)	489.14			489.14	489.14			489.14
- Equity Shares (Unquoted)			4.69	4.69				-
- Preference shares and bonds			450.45	450.45				-
Trade and other receivables			8,240.61	8,240.61				-
Loans			45.87	45.87				-
Other financial assets			853.75	853.75				-
TOTAL	4,675.28	-	10,947.88	15,623.17	4,675.28	-	-	4,675.28
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)			74.20	74.20				-
Short term borrowings			263.62	263.62				-
Trade and other payables			3,415.56	3,415.56				-
Other financial liabilities			699.81	699.81				-
TOTAL	-	-	4,453.19	4,453.19	-	-	-	-

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.

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

B. Measurement of fair values

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

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

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

Transfers between Levels

There are no transfers between the levels

C. Financial risk management

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

i. Risk management framework

Risk Management is an integral part of the Company's plans and operations. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The board of directors is responsible for developing and monitoring the Company risk management policies.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular

and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

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

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

Trade and other receivables

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

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

Cash and cash equivalents

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made in mainly in mutual funds with good returns and with high credit ratings assigned by International and domestic credit ratings agencies.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. Accordingly, liquidity risk is perceived to be low.

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

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 31 st March, 2021	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Borrowings (Non Current)	20	64.09	-	64.09
2	Borrowings	22	123.97	123.97	-
3	Trade payables	23	4,322.03	4,322.03	-
4	Other Financials Liability	24	899.71	899.71	-
5	Other Current Liabilities	25	422.00	422.00	-
	TOTAL		5,831.81	5,767.72	64.09

Sr No	As at 31 st March, 2020	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Borrowings (Non Current)	20	74.20	-	74.20
2	Borrowings	22	263.62	263.62	-
3	Trade payables	23	3,415.56	3,415.56	-
4	Other Financials Liability	24	699.81	699.81	-
5	Other Current Liabilities	25	239.36	239.36	-
	TOTAL		4,692.56	4,618.36	74.20

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 is not exposed to significant foreign currency risk. The Company has entered into forward contracts to hedge the foreign currency risks arising from amounts designated in foreign currency. The counter party to such forward contract is a bank. Forward contracts outstanding at the year end are:

Currency	Exposure to buy/sell	(₹ In lakhs)			
		As at 31/03/2021		As at 31/03/2020	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
USD	Buy	-	-	-	-

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

		(₹ In lakhs)			
		As at 31/03/2021		As at 31/03/2020	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
US Dollars	Buy	0.15	11.17	0.12	8.87
Euro	Buy	0.03	2.24	0.03	2.17
US Dollars	Sell	0.09	6.29	0.28	20.80

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.

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

39 Employee Benefit obligations

(A) Defined Benefit Plan

The Company's obligation towards the Gratuity Fund is a Defined Benefit Plan. Based on the actuarial valuation obtained in this respect, details of Actuarial Valuation are as follows:

	As at 31 st March 2021	As at 31 st March 2020
	Funded Plan	
(i) Change in Defined Benefit Obligation		
Opening defined benefit obligation	683.30	852.68
Amount recognised in profit and loss		
Current service cost	75.28	72.27
Interest cost	45.87	55.83
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:		
Return on Plan Assets	-	-
Financial assumptions	(2.62)	(40.34)
Experience adjustment	(8.92)	(16.55)
Other	-	(1.10)
Benefits paid	(59.30)	(239.48)
Closing defined benefit obligation	733.62	683.31
(ii) Change in Fair Value of Assets		
Opening fair value of plan assets	626.50	711.05
Amount recognised in profit and loss		
Interest income	41.92	46.11
Amount recognised in other comprehensive income		
Actuarial gain / (loss)		
Return on Plan Assets, Excluding Interest Income	(2.27)	(3.31)
Amount not recognised due to Asset limit (P.Y)	-	(11.29)
Other	-	0.89
Contributions by employer	59.92	111.90
Benefits paid	(59.30)	(239.48)
Closing fair value of plan assets	666.78	615.86
Actual return on Plan Assets	39.65	42.80
(iii) Plan assets comprise the following		
Insurance fund (100%)	Unquoted 666.78	Unquoted 615.86
(iv) Principal actuarial assumptions used		
Discount rate	% 6.71	% 6.75
Withdrawal Rate	1.00	1.00
Future Salary Increase	5.00	5.00
(v) Amount recognised in the Balance Sheet		
Present value of obligations as at year end	733.62	683.31
Fair value of plan assets as at year end	666.78	615.86
Net (asset) / liability recognised as at year end	66.84	67.45
Recognised under :		
Short term provisions	3.25	3.55
Long term provisions	126.65	113.38
Other Non Current Assets	(2.77)	(3.23)
Other Current Assets	(60.28)	(46.24)
	66.84	67.45

(vi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would

	As at 31 st March, 2021		As at 31 st March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(73.46)	78.66	(60.08)	65.53
Future salary growth (1% movement) - Gratuity	82.35	(71.28)	67.80	(59.36)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

(vii) Expected future cash flows

The expected maturity analysis is as follows :	For year ended	For year ended
	31.3.2021	31.3.2020
Expected benefits for year 1	196.35	46.31
Expected benefits for year 2	112.27	67.30
Expected benefits for year 3	114.12	80.19
Expected benefits for year 4	155.21	84.87
Expected benefits for year 5	216.15	104.26
Expected benefits for year 6 and above	2069.46	1973.33

40 Financial information pursuant to Schedule III of Companies Act 2013

Sr. No.	Name of the entity	31 st March 2021		31 st March 2021		31 st March 2021		31 st March 2021	
		As % of consolidated net assets	Amount (Rs. In Lakhs)	As % of consolidated profit or loss	Amount (Rs. In Lakhs)	As % of consolidated profit or loss	Amount (Rs. In Lakhs)	As % of consolidated profit or loss	Amount (Rs. In Lakhs)
	Parent	81.62%	23,930.30	47.55%	967.34	-8.19%	(1.31)	47.11%	966.02
	Chembond Chemicals Ltd.								
	Indian Subsidiaries								
1	Chembond Water Technologies Limited	21.54%	6,315.82	56.94%	1,158.41	11.51%	1.85	56.58%	1,160.26
2	Chembond Material Technologies Pvt. Ltd.	0.22%	65.91	-22.64%	(460.61)	-11.29%	(1.81)	-22.55%	(462.42)
3	Chembond Clean Water Technologies Limited	3.22%	943.63	4.90%	99.68	5.44%	0.87	4.90%	100.55
4	Chembond Biosciences Limited	0.01%	4.04	-4.24%	(86.32)	3.47%	0.56	-4.18%	(85.76)
5	Chembond Polymers and Materials Limited	1.66%	485.48	-1.37%	(27.97)	2.59%	0.41	-1.34%	(27.56)
6	Chembond Calvatis Industrial Hygiene Systems Limited	0.52%	152.92	0.70%	14.34	0.08%	0.01	0.70%	14.35
7	Chembond Chemicals (Malaysia) SDN. BHD.	0.25%	73.48	0.52%	10.62	0.00%	-	0.52%	10.62
8	Phiroze Sethna Private Limited	3.80%	1,115.06	1.19%	24.19	97.86%	15.71	1.95%	39.89
9	Chembond Distribution Limited	1.42%	417.52	5.58%	113.58	-0.42%	(0.07)	5.54%	113.51
10	Gramos Chemical India Private Limited	3.63%	1,065.09	13.79%	280.49	-1.00%	(0.16)	13.67%	280.33
	Non Controlling interest in all subsidiaries	-0.43%	(125.35)	-0.32%	(6.45)	-0.04%	(0.01)	-0.31%	(6.46)
	Consolidation adjustments/Eliminations	-17.48%	(5,124.76)	-2.60%	(52.85)	0.00%	-	-2.58%	(52.85)
	Total	100.00%	29,319.14	100.00%	2,034.43	100.00%	16.05	100.00%	2,050.47

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021**41 Related party disclosures as required under Ind AS 24 on "Related Party Disclosures"****a) Name of related party and discription of relationship:****I Joint Venture:**

Calvatis Gmbh

ii. Key Management Personnel and their relatives (KMP)

Key Management Personnel:

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

Relatives :

Padma V. Shah, Dr. Shilpa S. Shah, Mamta N. Shah, Alpana S. Shah, Jyoti N. Mehta, Amrita S. Shah, Malika S. Shah, Gauri N. Mehta, Karishma N.Mehta

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

CCL Opto Electronics Pvt Ltd., Finor Piplaj Chemicals Ltd., S and N Ventures Ltd., Visan Holdings Pvt Ltd, Visan Trust, Protochem Investment Pvt Ltd. and Oriano Clean Energy Pvt Ltd.

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

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

(₹ in lakhs)

For the year ended/as on	31.03.2021			31.03.2020		
	Joint Venture	KMP	Total	Joint Venture	KMP	Total
Sales of Goods	-	135.32	135.32	-	150.11	150.11
Chembond Chemicals Ltd.	-	2.59	2.59	-	17.38	17.38
Chembond Material Technologies Pvt Ltd	-	0.66	0.66	-	0.66	0.66
Phiroze Sethna Private Limited	-	-	-	-	-	-
Chembond Water Technologies Ltd	-	32.64	32.64	-	32.64	32.64
Chembond Distribution Ltd	-	87.62	87.62	-	87.62	87.62
Chembond Clean Water Technologies Ltd	-	11.81	11.81	-	11.81	11.81
Purchase of Goods	-	1,339.63	1,339.63	-	1,264.80	1,264.80
Chembond Chemicals Ltd.	-	155.27	155.27	-	294.80	294.80
Chembond Material Technologies Pvt Ltd	-	5.13	5.13	-	4.04	4.04
Chembond Polymers and Materials Ltd	-	0.02	0.02	-	-	-
Chembond Water Technologies Ltd	-	1,084.83	1,084.83	-	856.25	856.25
Chembond Distribution Ltd	-	94.37	94.37	-	109.71	109.71
Sale of Fixed Assets	-	-	-	-	3.00	3.00
Chembond Chemicals Ltd.	-	-	-	-	3.00	3.00
Rent Income	-	12.24	12.24	-	12.24	12.24
Chembond Chemicals Ltd.	-	12.24	12.24	-	12.24	12.24
Rental Expenses	-	16.26	16.26	-	15.77	15.77
Chembond Chemicals Ltd.	-	13.26	13.26	-	12.77	12.77
Chembond Water Technologies Ltd	-	3.00	3.00	-	3.00	3.00
Director Remuneration	-	308.68	308.68	-	293.55	293.55
Chembond Chemicals Ltd.	-	103.42	103.42	-	84.52	84.52
Chembond Material Technologies Pvt Ltd	-	1.65	1.65	-	22.59	22.59
Phiroze Sethna Private Limited	-	39.41	39.41	-	62.53	62.53
Chembond Biosciences Ltd	-	25.88	25.88	-	29.03	29.03
Chembond Water Technologies Ltd	-	138.32	138.32	-	94.89	94.89
Director Sitting Fees	-	11.61	11.61	-	13.28	13.28
Chembond Chemicals Ltd.	-	9.38	9.38	-	10.50	10.50
Chembond Material Technologies Pvt Ltd	-	0.79	0.79	-	0.98	0.98
Phiroze Sethna Private Limited	-	0.02	0.02	-	0.07	0.07
Chembond Polymers and Materials Ltd	-	0.26	0.26	-	0.38	0.38
Chembond Water Technologies Ltd	-	0.64	0.64	-	0.75	0.75
Chembond Clean Water Technologies Ltd	-	0.53	0.53	-	0.60	0.60
Professional & Consulting Fees	-	91.72	91.72	-	96.98	96.98
Chembond Chemicals Ltd.	-	31.21	31.21	-	33.64	33.64
Chembond Material Technologies Pvt Ltd	-	59.91	59.91	-	56.24	56.24
Chembond Polymers and Materials Ltd	-	0.60	0.60	-	7.10	7.10
Commission	-	-	-	-	1.60	1.60
Chembond Material Technologies Pvt Ltd	-	-	-	-	1.60	1.60
Royalty	-	30.83	30.83	-	27.56	27.56
Chembond Chemicals Ltd.	-	11.40	11.40	-	27.56	27.56
Chembond Material Technologies Pvt Ltd	-	19.44	19.44	-	-	-
Interest on Loan	-	7.79	7.79	-	13.85	13.85
Chembond Material Technologies Pvt Ltd	-	0.88	0.88	-	1.09	1.09
Chembond Water Technologies Ltd	-	2.97	2.97	-	12.76	12.76
Chembond Biosciences Ltd	-	3.94	3.94	-	-	-
Loan Taken	-	60.00	60.00	-	15.00	15.00
Chembond Material Technologies Pvt Ltd	-	-	-	-	10.00	10.00
Chembond Water Technologies Ltd	-	-	-	-	5.00	5.00
Chembond Biosciences Ltd	-	60.00	60.00	-	-	-
Loan Repaid	-	110.00	110.00	-	-	-
Chembond Water Technologies Ltd	-	95.00	95.00	-	-	-
Chembond Biosciences Ltd	-	15.00	15.00	-	-	-
Balances at the year end	-	-	-	-	-	-
Sundry Debtors	-	55.72	55.72	-	262.08	262.08
Chembond Chemicals Ltd.	-	1.75	1.75	-	-	-
Chembond Material Technologies Pvt Ltd	-	22.19	22.19	-	-	-
Phiroze Sethna Private Limited	-	-	-	-	-	-
Chembond Polymers and Materials Ltd	-	1.42	1.42	-	0.55	0.55
Chembond Water Technologies Ltd	-	10.14	10.14	-	252.80	252.80
Chembond Distribution Ltd	-	19.93	19.93	-	0.92	0.92
Chembond Clean Water Technologies Ltd	-	0.30	0.30	-	7.81	7.81
Sundry Creditors	-	388.68	388.68	-	90.09	90.09
Chembond Chemicals Ltd.	-	43.58	43.58	-	67.85	67.85
Chembond Material Technologies Pvt Ltd	-	5.50	5.50	-	-	-
Chembond Water Technologies Ltd	-	282.55	282.55	-	3.43	3.43
Chembond Distribution Ltd	-	56.78	56.78	-	18.55	18.55
Chembond Clean Water Technologies Ltd	-	0.26	0.26	-	0.26	0.26
Loans	-	55.00	55.00	-	105.00	105.00
Chembond Material Technologies Pvt Ltd	-	10.00	10.00	-	10.00	10.00
Chembond Biosciences Ltd	-	45.00	45.00	-	-	-
Chembond Water Technologies Ltd	-	-	-	-	95.00	95.00

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021

42 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31st March, 2021, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

43 Tax Reconciliation

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

Current Income Tax
Deferred Tax Expense
Short/Excess provision of IT for earlier year
Tax expense for the year

2020-2021 (₹ in lakhs)	2019-2020 (₹ in lakhs)
901.11	496.05
(52.41)	(7.30)
(36.67)	(8.04)
812.03	480.71

(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

Short/Excess Provision for earlier years

Others

Current Tax (A)

Part B

Deferred Tax Effect at the rate of:

Depreciation

Unabsorbed IT losses and Depreciation

Investments at Fair Value

Less:

Gratuity

MAT Credit

Other Deferred tax Asset

Provision for Doubtful Debts

Deferred Tax (B)

Tax Expense (A+B)

2,852.91	789.21
802.13	490.30
(67.21)	(58.73)
69.60	13.15
77.04	42.43
(25.07)	0.87
5.37	(0.02)
861.87	488.01
29.12%	29.12%
(2.93)	(14.32)
-	41.80
6.20	9.89
1.08	(11.63)
(27.96)	32.83
(6.98)	(5.56)
86.96	29.02
(49.84)	(7.30)
812.03	480.71

44 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 matter under Appeal

ii) Income tax Matter (TDS)

iii) Income tax demands pending for rectification

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

v) Excise matter under Appeal (₹1.12 Lakhs already paid as predeposit for appeal)

vi) Sales tax matter under appeal

As at 31/03/2021 (₹ In lakhs)	As at 31/03/2020 (₹ In lakhs)
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24.67	34.44
2.19	2.15
6.78	52.31
278.96	285.31
-	-
6.29	2.22

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

i) Outstanding L.C & Bank Guarantees issued by Bankers.

ii) Corporate Guarantee given to Bank of India by the Company on behalf of Subsidiaries Chembond Water Technologies Ltd. & Chembond Clean Water Technologies Ltd.

1,629.86	1,850.76
2,050.00	2,050.00

B) Capital Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)

29.25	1.75
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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.

Notes to the Consolidated Financial Statements For the year ended March 31ST, 2021**45 COVID-19 Assessment:**

COVID-19 continues to impact normal business operations of the Company and the operating environment remains challenging with the emergence of second wave of COVID. Necessary precautions to ensure hygiene, safety, and wellbeing of all our employees at all plants have been implemented. The Company has considered the possible effects COVID-19 may have on the recoverability and carrying value of its assets comprising Property Plant and Equipment, Goodwill, Investments, Inventories and Trade Receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is continuously evolving giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these consolidated financials statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business

46 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

47 In line with streamlining business unit operations and to obtain sales synergies, shareholding in Chembond Clean Water Technologies Limited (CCWTL) was transferred to the wholly owned subsidiary Chembond Water Technologies Ltd.

48 The Group has decided to continue with the existing tax structure except for one subsidiary company which has provided for current and deferred tax at the rate prescribed under Section 115BAA of the Income Tax Act, 1961

49 Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 2021. Management is of the view that since the changes are applicable from April 1, 2021, those are applicable for the financial year commencing from April 1, 2021 and are applicable to Financial statements issued in respect of accounting years commencing on or after April 1st, 2021. Therefore, related disclosures are not considered in these financial statements for the year ended on March 31, 2021, although issued after April 1, 2021.

50 The previous year figures have been regrouped, reallocated or reclassified wherever necessary to conform to current year classification and presentation.

As per our attached report of even date

On behalf of the Board of Directors

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

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

Sushil U. Lakhani
Director

Jatin A. Thakkar
Partner
Membership No. : 134767
Mumbai, 15th May 2021

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 15th May 2021

Suchita Singh
Company Secretary

NOTICE

NOTICE is hereby given that the Forty Sixth Annual General Meeting (AGM) of the Members of Chembond Chemicals Limited (CIN: L24100MH1975PLC018235) will be held on Friday, 23rd July, 2021, at 3.30 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt

(a) the audited financial statements of the Company for the financial year ended 31st March, 2021 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 31st March, 2021 together with the report of the Auditors thereon.

2. To declare final dividend on equity shares for the financial year ended 31st March, 2021.

3. To appoint a Director in place of Mr. Ashwin Nagarwadia (DIN: 00466681), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To approve continuation of Directorship of Mr. Ashwin Nagarwadia (DIN: 00466681) beyond the age of seventy-five years as a Non-Executive Director.

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

"RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment)

Mumbai
15th May, 2021

REGISTERED OFFICE:

Chembond Centre, EL-71,
Mahape MIDC,
Navi Mumbai - 400 710
MH, India.

Tel: +91 22 6264 3000

Fax: +91 22 2768 1294

Email: cs@chembondindia.com

Website: www.chembondindia.com

CIN: L24100MH1975PLC018235

Regulations, 2018, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force and the applicable provisions, if any, of the Companies Act, 2013 (the Act), and on recommendation of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for continuation of Directorship of Mr. Ashwin Nagarwadia (DIN: 00466681), as a Non-Executive Director of the Company, beyond the age of seventy five years;

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

5. To approve remuneration to Cost Auditors

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Jitendrakumar and Associates, Cost & Management Accountants, Mumbai, (Firm Registration No. 101561), appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the F.Y. ended 31st March, 2022 be paid a remuneration of ₹66,000 (Rupees Sixty Six Thousand only), plus Goods and Services Tax and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit."

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

Suchita Singh
Company Secretary

NOTES:

1. In view of the continuing Covid pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circulars dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020 and 13th January, 2021 ("MCA Circulars") and Securities and Exchange Board of India (SEBI), vide its circulars dated 12th May, 2020 and 15th January, 2021 ("SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circulars, the 46th 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 Link Intime India Private Limited (LIPL), to provide Video Conferencing (VC) / Other Audio-Visual Means (OAVM) facility for the Annual General Meeting and for conducting of the e-AGM. The Members can join the e-AGM 15 minutes before the scheduled time of the AGM following the procedure mentioned in the Notice.

2. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 4 and 5 of the Notice, is annexed hereto.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies shall not be available for AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Institutional / Corporate shareholders intending to depute their authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting are requested to send a certified copy of its Board Resolution / authorisation letter, authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution / authorisation should be sent to cs@chembondindia.com or upload on the website of LIPL

as per the instructions given to the notice.

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 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 come 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 come 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 and the Articles of Association of the Company, Mr. Ashwin Nagarwadia (DIN: 00466681), Director, retires by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment. The Board of Directors recommends the aforesaid reappointment.

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 forthcoming Annual General Meeting as required by Regulation 24 & 36 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.

Mr. Ashwin Nagarwadia is interested in the Special Resolution set out at item No. 4 pertaining to his appointment beyond the age of 75 years as a Non-Executive Director of the Company.

7. The Register of Directors' and Key Managerial

Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode by the Members from the date of circulation of this Notice upto the date of the 46th AGM.

8. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, 9th July, 2021 to Friday, 16th July, 2021 (both days inclusive) in connection with the AGM.

9. The Board of Directors has recommended a Final Dividend of 45 % (i.e. ₹2.25/- per equity share of ₹5/- each) for the Financial year ended 31st March 2021 subject to approval of the Shareholders at the ensuing AGM. The Dividend, if approved by the members at the ensuing AGM will be paid to those shareholders whose names stand registered:

a. As beneficial owners at the end of business hours on Thursday, 8th July, 2021, being the record date as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) will be paid the Final Dividend for the financial year ended 31st March, 2021, as recommended by the Board, if approved at the AGM, on or after Tuesday, 27th July, 2021.

b. As members in the Register of Members of the Company after giving effect to valid transmission/ transposition in physical form lodged with the Company's Registrar and Share Transfer Agent (RTA) TSR Darashaw Consultants Private Limited (TCPL), C-101, 1st floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400 083, on or before the Record date. The transmission/transposition requests complete in all respects should reach the RTA well before the above date.

Members holding shares in physical mode are requested to send all the communications pertaining to shares of the Company including intimation of changes pertaining to their bank account details, mandates, nominations, change of address, email-id etc. with the Company's RTA-TCPL, at their Registered Address or email at csq-kyc@tsrdarashaw.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-

attested copy of any document (eg.: Aadhar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member.

Members holding shares in electronic form must intimate the changes, if any, to their respective Depository Participants(DPs). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's RTA - TCPL to provide efficient and better services.

In case of any queries / difficulties in registering the e-mail address or any other details, Members may write to cs@chembondindia.com.

c. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to the RTA of the Company. Members holding shares in electronic mode may contact their respective DPs for availing this facility.

d. SEBI has mandated submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to provide their PAN details to their respective DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.

e. As per the provisions of Section 124 of the Act, dividends not encashed/ 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.

f. The details of Dividends declared and paid by the Company and the corresponding tentative due dates for transfer of such un-cashed / un-claimed dividend are given in the Corporate Governance Report under the heading 'Unpaid / Unclaimed Dividends'.

Details of shares transferred to the IEPF Authority are available on the website of the Company at <http://www.chembondindia.com/unclaimed-dividend.html>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in. 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 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) 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.

10. In compliance with the MCA Circulars and SEBI Circulars, owing to the difficulties in dispatching of physical copies of the Financial Statements alongwith the Auditors Report and Boards Report and other documents due to the restrictions laid down on account of the ongoing Pandemic, such statements including Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/DPs. The Annual Report is also uploaded on the website of the Company at www.chembondindia.com. Members may note that the Notice and Annual Report 2020-21 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 and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of LIPL (agency for providing the Remote e-voting facility and e-voting system during the AGM) i.e. <https://instavote.linkintime.co.in>.

11. Rule 18 of the Companies (Management and Administration) Rules, 2014 requires a company to provide an advance opportunity atleast once in a financial year, to the member to register his email address and changes therein and such request may be made by only those members who have not got their email id recorded or to update a fresh email id and not from the members

whose email ids are already registered. Members are requested to get their email ids registered with their DP or RTA. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number and type, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to TCPL in case the shares are held by them in physical form.

12. The final dividend once approved by the shareholders in the ensuing AGM will be paid through Electronic Clearing Service or any other means to those shareholders who have updated their Bank Account details. For shareholders who have not updated their bank account details dividend warrants / demand draft / cheques will be sent to their registered addresses. Shareholders are requested to update their KYC with their depositories (for shares held in Dematerialized form) and with the Company's RTA - TCPL (for shares held in Physical form) to receive the dividend into their account.

13. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to TCPL, Registrar and Share Transfer Agent of the Company or immediately by sending a request on email at cs@chembondindia.com or contact TCPL at csg-unit@tcplindia.com. In case, the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall upon normalisation of the postal services, dispatch the dividend warrant to such shareholder by post.

14. 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 1st April, 2020 shall be taxable in the hands of the Members and the Company is required to deduct Tax at source ('TDS') from dividend paid to the Members at the prescribed rates at the time of making the final dividend. To enable compliance with TDS requirements, Members are requested to provide documents in accordance with the provisions of the IT Act, 1961. 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 email at cs@chembondindia.com by Monday, 5th July, 2021.

The rate of Tax Deducted at Source ('TDS') will vary depending on the residential status of the Shareholder and documents registered with the Company.

1. IN CASE OF A RESIDENT SHAREHOLDER:

TDS rate	Category of shareholder and required documentation
10 per cent*	Resident shareholder whose valid Permanent Account Number ('PAN') is available on records of the Company. Update the PAN if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – TSR Darashaw Consultants Private Limited ('TCPL')(in case of shares held in physical mode).
20 per cent	Resident shareholder whose PAN is not registered / valid PAN is not registered against the folio no./ DP-ID Client ID in records of the Company/ Depositories.
Lower/Nil rate as specified in certificate issued under section 197 of the Act	Resident shareholder who has obtained a certificate from the income-tax authorities under Section 197 of the Act for TDS at a lower / Nil rate. Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same.
Nil	<p>Individual shareholders:</p> <ul style="list-style-type: none"> - If the total dividend to be received from the Company during FY 2021-22 does not exceed ₹5,000; or - If duly verified Form 15G or 15H (as may be applicable) is furnished along with self-attested copy of PAN, if not registered against the folio no./Dp id/client id. <p>Other shareholders:</p> <ul style="list-style-type: none"> - Mutual Funds: Subject to a self-declaration that they are specified in Section 10(23D) of the IT Act along with self-attested copy of PAN card and registration certificate. - Insurance companies: Subject to a self-declaration that it has full beneficial interest with respect to shares owned along with self-attested copy of PAN card - Alternative Investment Fund ('AIF') established/incorporated in India: Subject to a self-declaration that its income is exempt under Section 10(23FBA) of the IT Act and they are governed by SEBI regulations as Category I or Category II AIF, alongwith self-attested copy of the PAN card and registration certificate issued by SEBI. - Corporation established by or under a Central Act whose income is exempt from income- tax: Subject to a self-declaration of the documentary evidence supporting the exemption status along with self-attested copy of PAN card. - Government - The Reserve Bank of India

Note:

1. Recording of the Permanent Account Number (PAN) for the registered Folio/DP id/Client id is mandatory. In absence of PAN, tax will be deducted at a higher rate of 20%, as per Section 206AA of the IT Act.

2. The Finance Bill, 2021 has proposed a new Section 206AB under the IT Act which provides for the higher rate of TDS where the Assessee is liable to deduct TDS under IT Act for the deductee who have not filed their Income Tax Return (ITR) for the previous two assessment years and the aggregate of TDS deducted and TCS collected in each of the previous two assessment years is ₹50,000/- or more. This section will be effective from 1st July, 2021.

TDS on dividend falls within the purview of proposed Section 206AB of the IT Act. Therefore, we request you to

please give a written declaration along with copies of ITR acknowledgements of previous two assessment year for our records. If the said declaration along with ITR acknowledgements are not received before Monday, 5th July, 2021, then TDS will be deducted at higher of the following rates:

- i. twice the rate specified in the relevant provision of the Act; or
- ii) twice the rate in force; or
- iii) the rate of 5%

Further, Confirmation w.r.t the linking of Aadhar with PAN in compliance with Section 139AA of the IT Act is to be provided (**Applicable only for individual shareholders**).

2. IN CASE OF A NON-RESIDENT SHAREHOLDER:

TDS rate	Category of shareholder and required documentation
20 per cent (plus applicable surcharge and cess)	All non-resident shareholders, including Foreign Portfolio Investors ('FPIs')
Lower /Nil rate as specified in certificate under Section 197/195	Non-resident shareholder who has obtained a certificate from the income-tax authorities under Section 197/195 of the IT Act for lower / Nil rate of TDS, tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same.
Lower rate prescribed under the tax treaty which applies to the shareholder	<p>Non-resident shareholder can opt to be governed by the provisions of the tax treaty between India and the country of tax residence of the shareholder. Subject to the non-resident shareholder providing the below-mentioned documents, the Company will deduct tax at the rate prescribed in the tax treaty, wherever applicable:</p> <p>Self-attested copy of the PAN card allotted by the Indian Income Tax authorities</p> <ul style="list-style-type: none"> - Self-attested copy of Tax Residency Certificate (TRC) applicable for the FY 2021-22 obtained from the tax authorities of the country of which the shareholder is resident - Self-declaration in Form 10F - Self-declaration for no permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] <p>In case of Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI), taxes shall be withheld at 20% plus applicable surcharge and cess in accordance with provisions of Section 196D of the IT Act, 1961. However, if above mentioned documents are provided, then rates as per respective tax treaty shall be applied.</p> <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p> <p>The Company is not obligated to apply the tax treaty rates at the time of tax deduction/withholding on dividend amounts. Application of the beneficial rate of tax treaty for TDS is at the discretion of the company and shall depend upon completeness of the documentation and review of the same by the Company.</p>

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and submitted by Non- Resident shareholder. Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details and documents as mentioned above before Monday, 5th July, 2021.

Kindly note that the aforementioned documents are required to be submitted at cs@chembondindia.com on or before Monday, 5th July, 2021 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 email the soft copy of TDS certificate to you at your registered email id in due course. Also the TDS so deducted shall be reflected in Form 26AS against respective PAN, post payment of the said Dividend.

15. The Company vide its separate e-mail communication dated 19th June, 2021 had informed the Members regarding the change in the IT Act, 1961 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.

16. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st 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.

17. The Securities and Exchange Board of India (SEBI) vide its notification dated 20th April, 2018, has mandated the submission of Permanent Account Number (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 Depository Participant(s) 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.

18. 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 <http://www.chembondindia.com/pdf/unclaimed-dividend/Nomination%20Form%20SH%2013&%2014%20for%20Shareholders.pdf>. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to TCPL in case the shares are held in physical form.

19. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or TCPL, the details of such folios together with the original share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.

20. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, 12th July, 2021 through email on cs@chembondindia.com.

The same will be replied by the Company suitably.

21. The instruction for remote e-voting, attending the AGM through VC/OAVM and e-voting during the AGM are given as follows:

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

a. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of Listing Regulations (as amended), and the Circulars issued by MCA your Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, your Company has entered into an agreement with Link Intime India Pvt. Ltd. ("LIPL") as the authorised e-Voting agency for facilitating voting through electronic means. The facility of casting votes by members using remote e-voting as well as e-voting system on the date of the AGM will be provided by LIPL.

b. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Friday, 16th July, 2021, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

c. A person who has acquired the shares and has become a Member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Friday, 16th July, 2021, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.

d. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date.

e. The remote voting period begins on Tuesday, 20th July, 2021 at 9.00 a.m. and ends on Thursday, 22nd July, 2021 at 5.00 p.m. During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 16th July, 2021 may

cast their vote electronically. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by LIPL thereafter.

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

g. Instructions for shareholders for remote e-voting are as under:

i. Pursuant to SEBI circular no.

SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on "e-voting facility provided by Listed Companies",

e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

Login method for e-voting of Individual Shareholders holding securities in demat mode/physical mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> • If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL : https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (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 e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> • Existing user who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will then authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress.
Individual Shareholders holding securities in demat mode & login	<ul style="list-style-type: none"> • You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once logged in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful

<p>through their depository participants</p>	<p>authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders holding securities in Physical mode</p>	<p>1. Open the internet browser and launch the URL : https://instavote.linkintime.co.in</p> <ul style="list-style-type: none"> • Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - <p>A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.</p> <p>B. PAN: Enter your 10-digit Permanent Account Number (PAN) [Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable].</p> <p>C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format)</p> <p>D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</p> <p>Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</p> <ul style="list-style-type: none"> • Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). • Click "confirm" (Your password is now generated). <p>2. Click on 'Login' under 'SHARE HOLDER' tab.</p> <p>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.</p> <p>4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.</p> <p>5. E-voting page will appear.</p> <p>6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).</p> <p>7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.</p>

ii) Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

iii) If Individual Shareholders holding securities in Physical mode have forgotten the password:

a. Click on 'Login' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'

b. Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.

- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, at least one special character (@!#\$%^*), at least one numeral, at least one alphabet and at least one capital letter.

iv) if Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at abovementioned depository/ depository participants website.

v) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi) For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

vii) During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

viii) Helpdesk for individual shareholders holding securities in Demat Mode:

Individual Shareholders holding shares in demat mode who need assistance for any technical issues related to login through Depository i.e. NSDL / CDSL may reach out to below helpdesk:

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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

ix) Helpdesk for Individual shareholders holding securities in physical mode/ Institutional shareholders: In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or may contact Mr. Nihar Kudaskar-Associate Technology Group at Link Intime India Private Limited at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400083. or Tel: 022-4918 6000, email: enotices@linkintime.co.in or write an e-mail to Compliance Officer of the Company at cs@chembondindia.com

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

► Select the "Company" and 'Event Date' and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID

- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID

- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) [Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable].

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

For smooth experience of viewing the AGM proceedings, shareholders who are registered as speakers are requested to download and install the Webex application in advance as per the given instructions:

a. Please download and install Webex application by clicking on <https://www.webex.com/downloads.html/> or

b. If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

(i) Enter your First Name, Last Name and Email ID and click on Join Now.

(ii) If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

(iii) If Webex application is not installed, a new page will

appear giving you an option to either Add Webex to chrome or Run a temporary application.

Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.

► Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the Insta Meet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING:

a. Shareholders who would like to speak during the meeting must register their request at least 3 days in advance i.e. on or before Monday, 19th July, 2021, mentioning their name, demat account number/folio number, email id, mobile number at cs@chembondindia.com.

b. Shareholders will get confirmation on first cum first 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 panellist by switching on video mode and audio of your device.

e. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

f. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

g. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

h. The Members who do not wish to speak during the AGM but have queries may send their queries in advance at least 10 days prior to meeting, mentioning their name, demat account number/folio number, email id, mobile number at cs@chembondindia.com. These queries will be replied to by the Company suitably by email.

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.

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.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

Once the electronic voting is activated by the scrutinizer/moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

a. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".

b. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email id) received during registration for Insta MEET and click on 'Submit'.

c. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

d. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

e. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

f. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

g. Only those members, who are 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 available during the AGM.

h. If any Votes are cast by the members through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.

i. 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.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on 022-49186175 or write an e-mail to Compliance Officer of the Company at cs@chembondindia.com.

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 at least 10 days before the date of the 46th 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 Link Intime India Private Limited. 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), as the Scrutinizer to scrutinize the remote e-voting as well as the e-voting at the time of AGM in a fair and transparent manner.

vi. The Scrutinizer shall, immediately after the conclusion of AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses, who are not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, within the prescribed time limit after the conclusion of the AGM to the Chairman or the Company Secretary or a person authorised by the Chairman. The Chairman or the Company Secretary or any other person authorised by him shall declare the result of the voting forthwith.

vii. The resolution(s) will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolution(s). The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company at www.chembondindia.com and Service Provider's website at www.instavote.linkintime.co.in and 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

Pursuant to Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy-five years, unless a Special Resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. Mr. Ashwin Nagarwadia, Non-Executive Director of the Company, has attained the age of seventy-five years. Considering his rich experience it is proposed to obtain shareholders' approval for continuation of his Directorship beyond the age of seventy five years.

Except Mr. Nagarwadia none of the Directors, Key Managerial Personnel's and their relatives are in any way concerned or interested financially or otherwise in the aforesaid resolution.

The Board recommends passing of the Special Resolution as set out at Item No. 4 respectively of the accompanying Notice for approval by the Members.

ITEM NO. 5

The Board of Directors, on the recommendation of the Audit Committee at its meeting held on 15th May, 2021, approved the appointment of Jitendrakumar & Associates, Cost & Management Accountants, (Firm Registration No. 101561), to conduct the audit of the cost

records of the Company for the financial year ending 31st March 2022. The Board at its meeting held on 15th May, 2021 has approved their appointment for the FY ended 31st March, 2022 at a remuneration of ₹66,000/- (Rupees Sixty Six Thousand Only) plus Goods and Services Tax and reimbursement of out of pocket expenses at actual. In accordance with the provisions of Section 148 of the Companies Act, 2013 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. 5 of the Notice, for the remuneration payable to the Cost Auditors for the financial year ending 31st March 2022.

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

Mumbai
15th May, 2021

REGISTERED OFFICE:

Chembond Centre, EL-71,
Mahape MIDC,
Navi Mumbai - 400 710
MH. India.

Tel: +91 22 6264 3000

Fax: +91 22 2768 1294

Email: cs@chembondindia.com

Website: www.chembondindia.com

CIN: L24100MH1975PLC018235

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

Suchita Singh
Company Secretary

Water & Wastewater Treatment Made Easy with Membranes

MBR
UF
NF
RO



MANN+HUMMEL Water & Fluid Solutions (previously MICRODYN-NADIR)



Chembond Clean Water Technologies is
MANN+HUMMEL Water & Fluid Solution's master
distributor in India for PureULTRA UF, AQUADYN®
UF, BIO-CEL® MBR and MICRODYN RO & NF spirals.

— Email: info@chembondindia.com —



**MANN +
HUMMEL**

Chembond Chemicals Limited



Chembond Centre, EL-71, Mahape MIDC,
Navi Mumbai - 400710 MH. India.

Tel.: 022 6264 3000 | Email: info@chembondindia.com

 www.chembondindia.com  www.chembondindia.in

