BATHIYA
& ASSOCIATES LLP CHARTERED ACCOUNTANTS

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 2022, the standalone statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity, the standalone statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

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

Key Audit Matters

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

Bathiya & Associates LLP
202 - A, Harmony,
Court Naka, Station Road,
Thane (W) - 400 601.
T : 022 25300059 / 25420059
E : info@bathiya.com
bathiya.com

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

Key Audit Matters	How our audit addressed the key audit matter
Contingent liabilities for tax matters The Company has disclosed in note no. 41 to the standalone financial statements the contingent liabilities as at 31st March, 2022 which includes disputed liabilities in respect of income tax and service tax matters. 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.	The audit procedures included but were not limited to: a) Obtained the summary of all disputed tax matters of the Company and assessed the management's position through discussions. b) Obtaining a detailed understanding of processes and controls of the Management with respect to disputed matters. 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. d) Evaluating the evidences supporting the judgement of the management about the possible outcomes and the reasonableness of the estimates. e) Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance. We have nothing to report in this regard.

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

BATHIYA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

2. Further to our comments in Annexure A, as required by Section 143 (3) of the Act, we report that:

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

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

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

   d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022, from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

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

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

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

   iv. a) The management has represented that, to the best of its knowledge and belief as disclosed in note no. 46(D), no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(entities), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.

   b) The management has represented that to the best of its knowledge and belief as disclosed in note no. 46(E), no funds have been received by the Company from any

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

person(s) or entity(entities), including foreign entities ("Funding Parties"), with the Understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that management representations under sub-clause (a) and (b) above contain any material misstatement.

v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

4. With respect to the matter to be included in the Auditors' Report under section 197(16):

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

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

Jatin A. Thakkar
Partner
Membership No.: 134767
Place : Mumbai
Date : May 14, 2022
UDIN : 22134767AIZKTH2120

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

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, 2022)

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

(i)

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

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

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

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

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

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

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

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

(iii)

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

Particulars	**Loan (Rs. In lakhs)**
Aggregate amount provided/ granted during the year - Subsidiaries	165.00
Balance outstanding as at balance sheet date in respect of above cases	

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

- Subsidiaries	1982.00

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

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

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

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

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

Particulars	**Loan to subsidiaries (Rs in lakhs)**
Aggregate amount of loans:	
Repayable on demand (A)	1982.00
Agreement does not specify any terms or period of repayment (B)	-
Total (A+B)	1982.00
Percentage of such loans to the total loans	99.99%

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security given for the year under report.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) On the basis of explanation and representation given by the management and on our broad review of the cost records maintained by the Company pursuant to the Companies (cost records and audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act, we are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)

(a) As per information and explanations given to us, undisputed statutory dues including provident fund, employees' state insurance, income tax, profession tax, Goods and Service Tax, custom duty, cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been delays in deposit in a few cases which are not serious. Further, there are no undisputed amounts payable in respect of above-mentioned statutory dues which were in arrears, as at 31st March, 2022 for a period of more than six months from the date they became payable.

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

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

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

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

(d) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not utilized the funds raised on short term basis for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

BATLIBOI...

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

BATHIYA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities , our knowledge of the plans of the Board of Directors and management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

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

(xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Jatin A. Thakkar
Partner
Membership No.: 134767
Place : Mumbai
Date : May 14, 2022
UDIN : 22134767AIZKTH2120

Annexure - B to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of Chembond Chemicals Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company, and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Jatin A. Thakkar
Partner
Membership No.: 134767
Place : Mumbai
Date : May 14, 2022
UDIN : 22134767AIZKTH2120

Chembond Chemicals Ltd.
Standalone Balance Sheet as at 31st March 2022

	Notes	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Assets			
Non-current assets			
(a) Property, Plant and Equipment	2	3,184.94	3,340.90
(b) Capital work-in-progress	2	40.07	42.90
(c) Other Intangible assets	2	27.54	30.99
(d) Financial Assets			
i) Investments	3	13,260.89	13,878.64
ii) Other financial assets	4	54.25	44.55
(e) Income tax asset (net)	5	304.13	271.77
(f) Other non current assets	6	38.30	43.68
Total Non-current assets		**16,910.12**	**17,653.23**
Current Assets			
(a) Inventories	7	284.00	396.25
(b) Financial Assets			
i) Investments	8	3,909.24	3,058.68
ii) Trade receivables	9	2,130.16	1,811.11
iii) Cash and cash equivalents	10	30.80	87.33
iv) Bank balances other than (iii) above	11	94.56	93.01
v) Loans	12	1,982.20	1,818.59
vi) Other financial assets	13	43.87	31.86
(c) Current Tax (net)	14	0.00	13.32
(d) Other current assets	15	65.05	98.92
Total current assets		**8,557.87**	**7,439.37**
Total Assets		**25,467.99**	**25,092.60**
Equity and Liabilities			
Equity			
(a) Equity Share capital	16	672.41	672.41
(b) Other equity	17	23,828.85	23,257.87
Total Equity		**24,501.26**	**23,930.28**
Liabilities			
Non-Current Liabilities			
(a) Provisions	18	15.25	41.04
(b) Deferred tax liabilities (net)	19	87.87	122.22
Total Non-current liabilities		**103.12**	**163.26**
Current liabilities			
(a) Financial liabilities			
i) Trade payables			
Trade payables -MSMED	20	24.59	105.92
Trade payables -Others	20	583.61	633.32
ii) Other financial liabilities	21	148.20	183.86
(b) Other current liabilities	22	94.38	74.02
(c) Provisions	23	12.83	1.94
Total current liabilities		**863.61**	**999.07**
Total Equity and Liabilities		**25,467.99**	**25,092.60**
Significant Accounting Policies and Notes on Financial Statements	1-50		

As per our attached report of even date
For Bathiya & Associates LLP
Chartered Accountants
FRN - 101046W/W100063

Jatin A. Thakkar
Partner
Membership No. : 134767
Mumbai, 14th May 2022

BATHIYA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

On behalf of the Board of Directors

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

Sushil U. Lakhani
Director

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 14th May 2022

Suchita Singh
Company Secretary

CHEMBOND CHEMICALS LIMITED
NAVI MUMBAI

Chembond Chemicals Ltd.

Statement of Profit and Loss for the year ended 31st March 2022

	Notes	2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
Revenue From Operations	24	4,616.64	4,203.69
Other Income	25	957.80	1,191.20
Total Income		5,574.44	5,394.89
Expenses :			
Cost of Materials Consumed	26	1,825.07	1,623.20
Purchases of Stock-in-trade	27	405.23	208.73
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	28	41.68	63.81
Employee Benefits Expense	29	690.29	598.96
Finance Costs	30	4.82	7.11
Depreciation and Amortisation expense	31	269.93	280.46
Other Expenses	32	1,244.64	1,347.72
Total Expenses		4,481.66	4,129.99
Profit before Exceptional items and Tax		1,092.78	1,264.90
Exceptional Items		-	-
Profit before Tax		1,092.78	1,264.90
Current Tax		252.76	266.12
Deferred Tax		(34.35)	30.90
Short/Excess Provision		0.00	0.56
Total Tax Expenses		218.41	297.58
Profit for the Year		874.37	967.32
Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss		4.55	(1.65)
ii) Income Tax relating to items that will not be reclassified to profit or loss		(0.94)	0.34
2 i) Items that will be reclassified to profit or loss		0.00	0.00
ii) Income Tax relating to items that will be reclassified to profit or loss		0.00	0.00
Other Comprehensive Income (1+2)		3.61	(1.31)
Total Comprehensive Income		877.98	966.00
Earning Per Equity Share of Face Value of Rs. 5 each	33		
Basic (in Rs.)		6.53	7.18
Diluted (in Rs.)		6.53	7.18
	1-50		

As per our attached report of even date
For Bathiya & Associates LLP
Chartered Accountants
FRN - 101046W/W100063

Thakkar Jatin A.

Jatin A. Thakkar
Partner
Membership No. : 134767
Mumbai, 14th May 2022

BATHIYA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

On behalf of the Board of Directors

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

Sushil U. Lakhani
Director

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 14th May 2022

Suchita Singh

Suchita Singh
Company Secretary

CHEMBOND CHEMICALS LIMITED
NAVI MUMBAI

Chembond Chemicals Ltd.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

(a) Equity share capital

	No. of Shares	(Rs. In lakhs)
Balance as at 31 March 2020	13,448,288	672.41
Changes in Equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	-
Balance as at 31 March 2021	13,448,288	672.41
Changes in Equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	-
Balance as at 31 March 2022	13,448,288	672.41

(b) Other Equity

(Rs in Lakhs)

	Reserves and Surplus				OCI	
Particulars	General Reserve	Share Premium	Employees Shares Options Outstanding	Retained earnings	Remeasurements of the net defined benefit Plans	Total other equity
Balance as at 31st March 2020	630.00	613.05	-	21,038.43	10.39	22,291.87
Profit for the year				967.31		967.31
Other comprehensive income for the year					(1.31)	(1.31)
Total Comprehensive Income	-	-	-	967.31	(1.31)	966.00
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
Profit for the year				874.36		874.36
Other comprehensive income for the year					3.61	3.61
Total Comprehensive Income	-	-	-	874.36	3.61	877.98
Prior Period items				4.41		4.41
Dividend Paid				302.59		302.59
Tax on Dividend Paid						-
Set off of Dividend Tax in respect of Dividend from Subsidiary Company						-
Balance as at 31st March 2022	630.00	613.05	-	22,573.12	12.69	23,828.85

As per our attached report of even date
For Bathiya & Associates LLP
Chartered Accountants
FRN - 101046W/W100063

Jatin A. Thakkar
Partner
Membership No. : 134767
Mumbai, 14th May 2022

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

On behalf of the Board of Directors

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

Sushil U. Lakhani
Director

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 14th May 2022

Suchita Singh
Company Secretary

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

CHEMBOND CHEMICALS LTD

Cash Flow Statement for the year ended 31.03.2022

(Rs. In Lakhs)

		31.03.2022		31.03.2021	
A	**Cash Flow from Operating Activities**				
	Profit before tax		1,092.78		1,264.90
	Adjustments for :				
	Depreciation and amortisation	269.93		280.46	
	Loss on Sale of Property,Plant & Equipement	1.55		5.06	
	Employee ESOP compensation	-		-	
	Finance Cost	4.82		7.11	
			276.30		292.63
	Less :				
	Foreign Exchange Fluctuation	-		-	
	Net Gain on Investments	333.56		883.90	
	Profit on Sale of Property,Plant & Equipement	-		-	
	Prior Period Items	4.41		-	
	Dividend Received	224.42		3.84	
			(562.39)		(887.74)
	Operating Profit before working capital changes		806.69		669.79
	Adjustments for :				
	Trade and Other Receivables	(444.03)		(200.64)	
	Inventories	112.25		67.37	
	Trade and Other Payables	(156.69)		121.89	
			(488.47)		(11.39)
	Cash generated from operations		318.22		658.40
	Income taxes paid (Net of Refund)		(272.74)		(277.24)
	Net Cash from Operating Activities (A)		45.48		381.16
B	**Cash Flow from Investing Activities**				
	Payment to acquire Property, plant & equipments		(112.05)		(63.33)
	Proceeeds from Sale of Property, plant & equipments		2.81		15.40
	Purchase of Investment		(2,682.96)		(4,045.56)
	Sale of Investment		2,783.72		3,797.37
	Dividend Income		224.42		3.84
	Net Cash from Investing Activities (B)		215.94		(292.27)
C	**Cash Flow from Financing Activites**				
	Dividend paid		(302.59)		-
	Finance Cost		(4.82)		(7.11)
	Net Cash from Financing Activities (C)		(307.41)		(7.11)
	Net (Decrease)/Increase in Cash & Cash Activities (A+B+C)		(45.98)		81.78
	Cash and Cash Equivalents and Other Bank Balances as on Opening		180.34		98.56
	Cash and Cash Equivalents and Other Bank Balances as on Closing (Note No.10 & 11)		134.36		180.34

Amendment to Ind AS 7-

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

Particulars	**Note No.**	**1 st April 2021**	**Cashflow**	**Foreign Exchange Movement**	**31 st March 2022**
Non-current liabilities					
- Borrowings	18	-	-	-	-
Current Liabilities					
- Borrowings	21	-	-	-	-
- Other financial liabilities					
Unpaid dividends	21	17.04	(0.47)	-	16.57
Total		**17.04**	**(0.47)**	-	**16.57**

As per our attached report of even date
For Bathiya & Associates LLP
Chartered Accountants
FRN - 101046W/W100063

Jatin A. Thakkar
Partner
Membership No. : 134767
Mumbai, 14th May 2022

On behalf of the Board of Directors

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

Sushil U. Lakhani
Director

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 14th May 2022

Suchita Singh
Company Secretary

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

Notes to the Financial Statements

For the year ended March 31, 2022

COMPANY INFORMATION:

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

The Company is engaged in manufacturing of Speciality Chemicals.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements and presentation

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

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

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

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

1.2 Summary of significant accounting policies

a) Property, Plant and Equipment:

Property, plant and equipment (PPE) are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any except freehold land which is carried at historical cost.
Historical cost comprises of its purchase price including taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Profit or Loss on disposal of tangible assets is recognised in the Statement of Profit and Loss.

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

b) Intangible Assets:

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

c) Capital Work in Progress & Capital Advances:

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

d) Depreciation and Amortization:

Depreciation on PPE (other than free hold and lease hold land) has been provided based on useful life of the assets in accordance with Schedule II of the Companies Act, 2013, on Straight Line Method. Freehold land is not depreciated. Leasehold land and leasehold improvements are amortized over the primary period of lease. Depreciation methods, useful lives and residual value are reviewed at each reporting date and adjusted prospectively, if appropriate.

e) Revenue Recognition:

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

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

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

f) Lease:

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

Company as a Lessee

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

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

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

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

Company as a lessor

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

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

g) Inventory:

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

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

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

h) Impairment of assets:

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

i) Financial Instruments:

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

1.Financial assets

Classification

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

Initial recognition and measurement

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

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

Debt instruments

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

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

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

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

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

Investments in subsidiaries, associates and joint venture

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

Equity instruments

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

De-recognition

A financial asset derecognised only when:

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

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

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

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

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

2.Financial liabilities

Initial recognition and measurement

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

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

Financial liabilities at fair value through profit and loss

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

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

Derecognition

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

3.Hedge accounting

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

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

NAVI MUMBAI

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.

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

m) **Income Taxes:**

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

Current tax:

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

Deferred tax:

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

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

n) **Cash and Cash Equivalents**

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

o) **Employee Benefits**

Short Term Employee Benefits:

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

Post-Employment Benefits:

I. **Defined Contribution plans:**

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

II. **Defined Benefit plans:**

Pension Scheme:

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

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

Gratuity:

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

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

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

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

p) Research and Development

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

q) Borrowing Cost

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

r) Earnings per share

Earnings per share (EPS) is calculated by dividing the net profit for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.
For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all diluted potential equity shares.

s) Current / Non-Current Classification:

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

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

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

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

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

(Rs. In lakhs)

Description	GROSS BLOCK (AT COST)				DEPRECIATION INCLUDING AMORTISATION				Revaluation of assets (> 10%)	Impairment of assets	NET BLOCK	
	As at 1.04.2021	Additions	Deductions	As at 31.03.2022	As at 1.04.2021	Additions	Deductions	As at 31.03.2022			As at 31.03.2022	As at 31.03.2021
Property, plant and equipment												
Tangible Assets												
Leasehold Land	61.71			61.71	4.50	0.90		5.40	-	-	56.31	57.21
Freehold Land	84.63			84.63	-			0.00	-	-	84.63	84.63
Buildings	2,253.86	80.93		2334.79	341.03	69.58		410.61	-	-	1924.13	1912.83
Equipment & Machinery*	1,420.96	23.65	6.64	1437.97	421.68	135.56	3.79	553.44	-	-	884.53	999.28
Computers	61.36	1.55	4.86	58.06	45.82	3.23	4.21	44.84	-	-	13.22	15.54
Furniture & Fixtures	176.32	0.10	0.05	176.37	85.79	16.98	0.03	102.74	-	-	73.62	90.53
Motor Cars	110.99			110.99	64.60	13.26	-	77.87	-	-	33.13	46.39
Electric Fittings & Installations	221.32	3.23	0.91	223.64	86.85	21.98	0.49	108.34	-	-	115.30	134.47
Sub- total	4391.16	109.47	12.46	4488.17	1,050.27	261.49	8.52	1303.24	-	-	3184.94	3340.89
Intangible Assets												
Computer Software	77.59	5.00		82.59	46.60	8.44	-	55.04	-	-	27.54	30.99
Sub-total	77.59	5.00	-	82.59	46.60	8.44	0.00	55.04	-	-	27.54	30.99
Total	4468.75	114.47	12.46	4570.75	1096.87	269.93	8.52	1358.28	-	-	3212.43	3371.87
Previous Year	4451.75	28.38	11.38	4468.74	821.33	280.46	4.93	1096.87	-	-	3371.33	3630.41
Capital Work in Progress	42.90	30.91	33.75	40.07							40.07	42.90

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

BATHIYA & ASSOCIATES LLP ★ MUMBAI ★ Chartered Accountants

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

3.	Financial Assets (Non-Current)	As at 31/03/2022	As at 31/03/2021
	Investments	(Rs. In lakhs)	(Rs. In lakhs)
	Investment in equity instruments of subsidiaries amortised at cost		
-	Unquoted		
	5,00,000(5,00,000) Equity Shares of Chembond Water Technologies Ltd of Rs.10/- each fully paid up. (Constituting 100.00%(100.00%) of the said Company's paid up capital)	4,887.86	4,887.86
	15,15,000 (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
	19,00,000 (19,00,000) Equity Shares of Chembond Biosciences Limited (formerly known as Chembond Industrial Coatings Limited)of Rs.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 (formerly known as Chembond Enzyme Company Limited)of Rs. 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 SystemsLimited of Rs.1/- each fully paid up (Constituting 55.00 %(55.00%) of the said Company's paid up capital)	32.39	32.39
	4,000 (4,000) Equity Shares of Phiroze Sethna Private Ltd. of Rs. 100/- each fully paid up. (Constituting 100.00%(100.00%) of the said Company's paid up capital)	4,126.90	4,126.90
	5,00,000 (5,00,000) Equity Shares of Chembond Distribution Ltd. Ltd of Rs. 1/- each fully paid up. (Constituting 100.00%(100.00%) of the said Company's paid up capital)	92.40	92.40
	Other Investment carried at fair value through profit & loss (Unquoted)		
	2,848 (2,848) Equity Shares of Tarapur Environment Protection Organisation Ltd. of Rs. 100/- each fully paid up.	4.57	5.08
	Investments in Equity Shares carried at fair value through Profit and Loss		
	Quoted		
	15,000 (16,200)Equity Shares of Hindustan Petroleum Corporation Ltd.of Rs. 10/- each fully paid up.	41.96	37.99
	Investments in Gilt fund carried at fair value through Profit and Loss		
	Quoted		
	1,00,991.79 (1,00,991.79) Units of SBI Magnum Gilt Fund-Long Term-Regular plan Growth	52.69	50.85
	22,22,265.24 (22,22,265.24) Units of ICICI Prudential Short Term Gilt Fund-Growth	1,793.04	1,723.57
	Other Investments		
	Quoted (carried at fair value through Profit and Loss)		
	Nil(20,00,000) units of Axis Fixed Term Plan Series 976 - Growth	-	235.25
	Nil(45,000) units of Tata Capital Financial Services Ltd. NCD	-	457.26
	Total	13,260.89	13,878.64
	Aggregate amount of Quoted Investments and market value there of	1,887.68	2,504.92
	Aggregate amount of Unquoted Investments	11,373.21	11,373.71
	Aggregate amount of Impairement in value of investment	-	-

4	Other Non- Current Financial Assets	As at 31/03/2022	As at 31/03/2021
	(Unsecured & considered good)	(Rs. In lakhs)	(Rs. In lakhs)
	Fixed Deposits deposits with orginal maturity of more than 12 months	-	0.81
	Other Deposits	54.25	43.54
	Total	54.25	44.35

5	Income tax asset (net)	As at 31/03/2022	As at 31/03/2021
		(Rs. In lakhs)	(Rs. In lakhs)
	Income Tax (Net of Provision)	304.13	271.77
	Total	304.13	271.77

6	Other non-current assets	As at 31/03/2022	As at 31/03/2021
		(Rs. In lakhs)	(Rs. In lakhs)
	Capital Advances	0.02	9.43
	Prepaid expenses	38.29	34.25
	Total	38.30	43.68

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

		As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
7	**Inventories** **(At lower of Cost and Net Realisable Value)**		
	Raw Material	133.63	207.66
	Packing Material	41.16	37.22
	Finished Goods	90.83	120.77
	Stock-in-Trade	18.38	30.12
	Stock in Transit	-	0.48
	Total	284.00	396.25

		As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
8	**Investments (Current)**		
	Investments in Equity Shares carried at fair value through Profit and Loss		
	Quoted		
	Nil (6,550) Equity Shares of ICICI Bank Ltd. of Rs. 10/- each fully paid up.	-	38.13
	Nil (1,854) Equity Shares of Tata Communications Ltd. of Rs. 10/- each fully paid up.	-	19.70
	Nil (717) Equity Shares of Divis Laboratories Ltd	-	25.98
	Nil (1,794) Equity Shares of Vardhaman Textiles Ltd.	-	23.28
	Nil (3,430) Equity Shares of Bharat Petroleum Corporation Ltd	-	14.68
	Nil (263) Equity Shares of Bajaj Finserv Ltd.	-	25.43
	Nil (3,610) Equity Shares of HDFC Life Insurance Company Ltd.	-	25.13
	Nil (3,330) Equity Shares of HCL Technologies Ltd.	-	32.72
	Nil (11,588) Equity Shares of Tata Motors Ltd	-	34.97
	Nil (537) Equity Shares of HIL Ltd.	-	16.37
	Nil (11,500) Equity Shares of Kirloskar FERR	-	18.88
	Nil (2,645) Equity Shares of Ramco Systems ltd.	-	14.01
	Nil (3,885) Equity Shares of SBI	-	14.15
	Nil (1,275) Equity Shares of CEAT LTD	-	19.85
	Nil (1,198) Equity Shares of Dalmia Bharat	-	19.04
	Nil (23,432) Equity Shares of JMC Projects	-	17.60
	Nil (990) Equity Shares of ICICI Sec	-	3.79
	Nil (4,850) Equity Shares of Bajaj Consumer Care Ltd	-	12.61
	Nil (479) Equity Shares of Oracle Financial Services Software Ltd	-	15.32
	Nil (12,089) Equity Shares of Phillips Carbon Black Ltd.	-	23.07
	Investments in Mutual Funds carried at fair value through Profit and Loss		
	49.542 (49.542) Units of Reliance Liquid Fund -Treasuery Plan - Daliy Dividend	0.84	0.81
	Nil (9,058.97) Units of HDFC Liquid Fund- Growth	-	363.96
	9530.07 (Nil) Units of Kotak Money Market Scheme Regular Plan Growth	343.13	-
	Nil (13,32,667.29) Units of Kotak Treasuery Advantage Fund Regular Plan Growth	-	449.52
	3,30,723.845 (39,457.47) Units of ICICI prudentianl Money Market Fund Regular Plan Growth	1,006.18	115.64
	15,21,035.73 (14,06,855.59) Units of AXIS – BLUECHIP FUND (G)	681.12	544.59
	47,16,416.448 (58,89,347.65) Units of HDFC Ultra Short term fund Reg- Grwt	579.05	697.66
	3,34,828.427 (3,34,828.43) units of Mirae Asset India Equity Fund-Growth Regular Plan	259.20	219.33
	Nil (9,588.34) units of Axis Liquid Fund Growth	-	217.92
	Nil (1612.16) units of Mirae Asset Cash Management Fund- Growth	-	34.56
	1,73,745.58 (Nil) ICICI Prudential Savings Fund – Growth	752.95	-
	49,819.151 (Nil) ICICI PRUDENTIAL EQUITY AND DEBT FUND - GROWTH	112.57	-
	6,77,992.742 (Nil) HDFC SHORT TERM DEBT FUND - REGULAR PLAN - GROWTH	174.19	-
	Total	3,909.24	3,058.68
	Aggregate amount of Quoted Investments and Market Value therof	3,909.24	3,058.68

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

9 Trade Receivables

		As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Unsecured Considered Good		2,139.15	1,841.41
Unsecured Considered doubtful		98.87	86.56
Less : Provision for Doubtful Debts		98.87	86.56
	Total	2,139.15	1,841.41

a For Trade Recevable Ageing Schedule, refer Note No. 43

b For Related party transactions, Refer Note No.38

10 Cash and Cash equivalents

		As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Balances with banks			
In Current accounts		37.79	86.24
Cash on hand		2.01	1.09
	Total	39.80	87.33

11 Bank balances other than cash and cash equivalents

		As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Margin money (Including deposits with orginal maturity of more than 3 months and less than 12 months)		80.01	75.97
In Unpaid Dividend Accounts		14.55	17.04
	Total	94.56	93.01

12 Loans
(Unsecured & considered good)

		As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Loan and advance to Employees		0.20	1.59
Loans and advances to Related parties		1,982.00	1,817.00
	Total	1,982.20	1,818.59

For related party transactions, Refer note No.38

13 Other Current Financial Assets
(Unsecured & considered good)

		As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Security Deposits		41.70	29.68
Deposit - Excise		2.17	2.17
	Total	43.87	31.86

14 Current Tax (Net)

		As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Current Tax (Net)		-	13.32
	Total	-	13.32

15 Other Current Assets

		As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Accrued Interest		-	26.98
Advances for supply of goods and services		29.88	13.56
Balance With Government authorities		34.87	34.87
Other Current Assets		0.30	23.52
	Total	65.05	98.92

16 Equity Share Capital

		As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Authorised			
2,00,00,000 (2,00,00,000) Equity Shares of Rs.5/- each		1,000.00	1,000.00
Issued, Subscribed and Paid up			
134,48,288 (134,48,288) Equity Shares of Rs.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	13,448,288	13,448,288
Additions during the year	-	-
Deductions during the year	-	-
Number of shares outstanding at the end of the year	13,448,288	13,448,288

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

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

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

b **Disclosure of shareholding of Promoters**

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Shares held by promoter at the end of the year				% change during the year
Sr. No.	Promoter Name	No. of shares	% of total shares	
1	Nirmal Vinod Shah	1,753,887	13.04%	0.33
2	Sameer Vinod Shah	1,645,493	12.24%	0.27
3	Ashwin Ratilal Nagarwadia	500,000	3.72%	-
4	Shah Bhadresh	188,934	1.40%	-
	Total	**4,088,314**	**30.40%**	

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Shares held by promoter at the end of the year				% change during the year
Sr. No.	Promoter Name	No. of shares	% of total shares	
1	Nirmal Vinod Shah	1,709,092	12.71%	0.07
2	Sameer Vinod Shah	1,609,661	11.97%	0.18
3	Ashwin Ratilal Nagarwadia	500,000	3.72%	-
4	Shah Bhadresh	188,934	1.40%	-
	Total	**4,007,687**	**29.80%**	

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

The Company has only one class of Equity Shares having a par value of Rs. 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 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
General Reserve		
As per last year	630.00	630.00
Add: Transfer from Profit & Loss A/c.	-	-
	630.00	**630.00**
Securities Premium		
As per last year	613.05	613.05
Add: Received on Shares issued during the year	-	-
	613.05	**613.05**
Retained Earnings		
As per last year	22,005.75	21,038.44
Add: Profit for the Year	874.36	967.31
	22,880.11	**22,005.75**
Less: Appropriations		
Other Comprehensive Income/(Loss) for the year	3.61	(1.31)
Prioir Period Items	4.41	
Dividend Paid	302.59	-
	22,573.12	**22,005.75**
Other Comprehensive Income (OCI)		
Remeasurements of the net defined benefit Plans		
As per last year	9.07	10.38
Movement During the Year	3.61	(1.31)
	12.68	**9.07**
Total	23,828.85	23,257.87

18 **Provisions**

	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Provision for Gratuity	15.25	41.04
Total	15.25	41.04

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

19 Deferred Tax Liability (Net)

	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Deferred tax Liability		
Depreciation	442.62	447.07
Investments at Fair Value	102.73	91.29
	545.34	538.35
Deferred tax Asset		
Gratuity	8.33	5.29
MAT Credit	420.12	383.79
Other Deferred tax Asset	0.23	1.84
Provision for Doubtful Debts	28.79	25.21
	457.48	416.14
Net Deferred Tax Liability Total	87.87	122.22

20 Trade Payables

	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Total Outstanding Dues of Micro and Small Enterprises	24.59	105.92
Total Outstanding Dues of Creditors other than Micro and Small Enterprises	583.61	633.32
Total	608.19	739.24

a For Trade Payables Ageing Schedule refer Note No.44

b For Related party transaction Refer Note No.38

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:

	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Principal amount due to suppliers under MSMED Act, 2006	24.59	105.92
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	0.01	0.03
Payment made to suppliers (other than interest) beyond the appointed day, during the year	105.92	78.27
Interest paid/adjusted to suppliers under MSMED Act, 2006 (other	0.03	0.12
Interest paid/adjusted to suppliers under MSMED Act, 2006	NIL	NIL
Interest due and payable to suppliers under MSMED Act, 2006 for payments already made	0.01	0.03
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	0.01	0.03

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

21 Other Current Financial Liabilities

	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Employee Benefits & Other Payables	118.45	158.23
Creditors for Capital Expenditure	13.18	8.60
Unclaimed Dividend *	16.57	17.04
Total	148.20	183.86

* Not due for Deposit to Investor Education and Protection Fund

22 Other Current Liabilities

	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Advance Received From Customers	62.36	52.48
Statutory Dues	32.02	21.53
Total	94.38	74.02

23 Provisions

	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Provision for Gratuity	12.83	1.94
Total	12.83	1.94

24 Revenue from Operations

	2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
Sale of Goods	4,233.16	3,902.73
Sales of Services		
Technical Service Income	31.19	9.69
Other Operating revenue		
Management Services Charges from Related Party (For Related party transaction Refer Note No.38)	262.72	247.11
Bad Debts Recovered	43.55	7.43
Miscellaneous Income	46.02	36.73
	352.29	291.27
Total	4,616.64	4,203.69

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

25 Other Income

	2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
Dividend from Subsidiary Company	220.00	-
Dividend from Equity Investments	4.39	3.82
Dividend from Mutual Funds	0.03	0.02
	224.42	3.84
Net gain on Sale/fair valuation of investments through profit & loss *	333.56	883.90
Gross Interest {TDS Rs. 17.20 lakhs (P.Y 12.76 lakhs)}	182.33	210.76
Gross Rental Income {TDS Rs. 9.71 lakhs (P.Y Rs. 5.31 lakhs)}	97.62	72.21
Corporate Gurantee fee	20.50	20.50
Keyman Insurance proceeds	99.38	-
Total	957.80	1,191.20

* Adjusted fair value gain/(loss) as at 31st March 2022 amounting to Rs. 96.09 (31st March 2021 - Rs 494.59 lakhs)

26 Cost of materials consumed

	2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
Raw Materials Consumed	1,605.74	1,412.65
Packing Material	219.32	210.54
Total	1,825.07	1,623.20

27 Purchases of stock-in-trade

	2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
Purchases of Stock-in-trade	405.23	208.73
Total	405.23	208.73

28 Changes in inventory of Finished goods, Work in progress and Traded goods

	2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
Finished products/ Stock in Trade (At Close)	109.21	150.89
Finished products/ Stock in Trade (At commencement)	150.89	214.70
Total	41.68	63.81

29 Employee benefit expenses

	2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
Director Remuneration	112.72	95.05
Salaries & Wages	488.44	424.22
Contribution to Provident & other funds	58.73	57.06
Staff Welfare Expenses	30.39	22.64
Total	690.29	598.96

a For Related party transaction Refer Note No.38

30 Finance Cost

	2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
Interest Expense		
- Banks	1.11	0.16
- MSMED	0.01	0.03
- Others	0.79	5.73
Bank Guarantee fees & charges	2.90	1.20
Total	4.82	7.11

31 Depreciation and Amortisation expenses

	2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
Depreciation and Amortisation Expenses	269.93	280.46
Total	269.93	280.46

32 Other Expenses

		2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
Manufacturing Expenses			
Consumable stores		28.03	16.32
Power, Fuel & Water Charges		60.04	54.04
Research and Development (see note 'a' below)		86.37	86.79
Lab Expenses		-	0.02
Repairs and Renewals to Plant & Machinery		18.61	27.54
Labour Charges		237.36	205.84
Security Expenses		61.83	64.55
Factory Maintenance		17.28	18.44
	A	**509.52**	**473.55**
Administrative Expenses			
Director's Sitting Fees		13.43	9.38
Rates & Taxes		10.29	13.70
Electricity charges		27.59	26.54
Printing and stationary		4.36	4.83
Telephone & Postage Expenses		9.30	8.71
Insurance		20.11	18.59
Motor car expenses		27.07	23.93
Auditors Remuneration		16.10	14.81
Legal, Professional & consultancy fees		113.50	172.10
Repairs & Maintenance Buildings		0.39	1.35
Repairs & Maintenance Others		131.64	98.91
Miscellaneous expenses		22.90	26.80
CSR Expenditure		9.03	11.45
Sales Tax & Other Taxes		2.68	3.98
Loss on Sale of Fixed Asset		1.55	5.06
Input GST Disallowed		1.29	2.04
Foreign Exchange Fluctuation Loss/ (Gain)		10.95	1.57
Provision for Doubtful Debts		61.05	44.35

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

Bad Debts Written Off		0.00	115.88
	B	484.78	603.07
Selling and Distribution Expenses			
Carriage outwards		117.14	125.28
Rent		15.30	18.36
Commission on sales		34.01	38.44
Travelling Expenses		29.60	30.49
Conveyance expenses		22.03	18.43
Royalty Expenses		10.70	11.40
Advertising & Publicity Expenses		1.42	0.56
Warehousing Charges		-	3.47
Packing Expenses		10.45	8.01
Sales Promotion Expenses		9.68	15.34
	C	250.33	270.19
	Total (A+B+C)	1,244.64	1,347.72

a **Research and Development Expenses**

		2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
Resarch and Develpoment Lab Mahape		61.89	56.02
Resarch and Develpoment Lab Dudhwada		24.48	30.77
	Total	86.37	86.79

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

		2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
Statutory Audit Fees		15.95	14.50
Taxation and Other Matters		0.15	0.31
	Total	16.10	14.81

c **Corporate Social Responsibility**

As per section 135 of the Companies Act 2013, a CSR committee has been formed by the Company. Identification of deserving areas for the Company's CSR activities has been done during the year. With water being the business of the company, The Management has identified village for carrying out CSR activities.The funds were utilised through the year on these activities which were specified in Schedule VII of the Companies Act, 2013.

- Gross amount required to be spent by the company during the year Rs. 9.03 lakhs. (Previous Year 11.45 Lakhs)
- Amount spent during the year is Rs. 9.03 lakhs (Previous Year 11.45 Lakhs)

Details of corporate social responsibility expenditure	2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
a) Amount required to be spent by the company during the year	9.03	11.45
b) Amount of expenditure incurred		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) and above	9.03	11.45
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall	-	-
f) Nature of CSR activities	Promotion of Education, Women empowerment and vocational training	Promotion of Education, Women empowerment and vocational training
g) Details of related party transactions	Refer Note No. 38	Refer Note No. 38
h) Provision made with respect to a liability incurred by entering into a contractual obligation for the year	-	-

d **Lease**

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

	Total Minimum Lease Payment Outstanding as on 31/03/2022 (Rs. In lakhs)	Total Minimum Lease Payment Outstanding as on 31/03/2021 (Rs. In lakhs)
Due within one year	36.47	8.65
Due later than one year and not later than five years	-	-
Due later than five years	-	-
Lease payments recognised in the Statement of Profit & Loss	15.30	21.83

33 **EARNINGS PER SHARE**

	2021-2022	2020-2021
Net Profit available to Equity Shareholders (Rs. In Lakhs)	877.98	966.00
Total number of Equity Shares (Face value of Rs. 5/- each fully paid up)	13,448,288	13,448,288
Weighted No. of Equity Shares	13,448,288	13,448,288
Basic Earnings per Share (in Rupees)	6.53	7.18
Diluted No. of Equity Shares	13,448,288	13,448,288
Diluted Earnings per Share (in Rupees)	6.53	7.18

34 **EARNINGS IN FOREIGN EXCHANGE**

		2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
Export of Goods on FOB Basis		2.61	14.51
	Total	2.61	14.51

35 **Segment Reporting**

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

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

36 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

	As at 31 March 2022							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents (Including other bank balances)			134.36	134.36				-
Investments								
- Mutual Funds	5,754.96			5,754.96	5,754.96			5,754.96
- Equity Shares (Quoted)	41.96			41.96	41.96			41.96
- Equity Shares (Unquoted)			4.57	4.57				-
- Preference shares, NCD and bonds			-	-				-
Trade and other receivables			2,139.15	2,139.15				-
Loans			1,982.20	1,982.20				-
Other financial assets			98.12	98.12				-
TOTAL	5,796.92	-	4,358.40	10,155.32	5,796.92	-	-	5,796.92
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)				-				
Short term borrowings			-	-				-
Trade and other payables			608.19	608.19				-
Other financial liabilities			148.20	148.20				-
TOTAL	-	-	756.39	756.39	-	-	-	-

	As at 31 March 2021							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
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			76.21	76.21				-
TOTAL	5,106.34	-	4,378.89	9,485.23	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	-	-	-	-

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: Heirarchy 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 betweeen the levels

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

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.

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

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

Cash and cash equivalents

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made in mainly in mutual funds with good returns and with high credit ratings assigned by International and domestic credit ratings agencies.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

(Rs. In Lakhs)

Sr No	As at 31st March, 2022	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Trade payables	22	608.19	608.19	-
2	Other Financials Liability	23	148.20	148.20	-
3	Other Current Liabilities	24	94.38	94.38	-
	TOTAL		850.77	850.77	-

(Rs. In Lakhs)

Sr No	As at 31st 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	-

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 Compnay is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, and other expenses are denominated and the functional currency of the Company. The functional currency of the Company is Indian Rupees (INR). The currencies in which these transactions are primarily denominated are EURO and USD.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

a. The Company has entered into forward contracts to hedge the foreign currency risks arising from amounts designated in foreign currency. The counter party to such forward contract is a bank. Forward contracts outstanding at the year end are:

Currency	Exposure to buy/sell	As at 31/03/2022		As at 31/03/2021	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
USD	Buy	-	-	-	-

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

Foreign [illegible]

		As at 31/03/2022		As at 31/03/2021	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
US Dollars	Buy	-	-	0.15	11.17
Euro	Buy	0.00	0.34	0.03	2.24
US Dollars	Sell	0.17	13.18	0.09	6.29

b) Interest rate risk

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

37 Employee Benefit obligations

(A) Defined Benefit Plan

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

	As at 31 March 2022	As at 31 March 2021
	(Funded plan)	
(i) Change in Defined Benefit Obligation		
Opening defined benefit obligation	146.67	129.82
Amount recognised in profit and loss		
Current service cost	12.88	12.79
Interest cost	9.78	8.76
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:		
Return on Plan Assets		
Financial assumptions	(2.34)	1.40
Other		
Benefits paid	(11.74)	(6.10)
Closing defined benefit obligation	155.24	146.67
(ii) Change in Fair Value of Assets		
Opening fair value of plan assets	103.69	78.66
Amount recognised in profit and loss		
Interest income	6.89	5.31
Amount recognised in other comprehensive income		
Actuarial gain / (loss)		
Return on Plan Assets, Excluding Interest Income	2.21	(0.26)
Other		
Contributions by employer	26.11	26.08
Equitable fund transfer out	-	-
Benefits paid	(11.74)	(6.10)
Closing fair value of plan assets	127.15	103.69
Actual return on Plan Assets	9.10	5.05
(iii) Plan assets comprise the following		
	Unqouted	Unqouted
Insurance fund (100%)	127.15	103.69
(iv) Principal actuarial assumptions used	%	%
Discount rate	6.80	6.71
Withdrawal Rate	1.00	1.00
Future Salary Increase	5.00	5.00
(v) Amount recognised in the Balance Sheet	**As at 31st March, 2021**	**As at 31st March, 2021**
Present value of obligations as at year end	155.24	146.67
Fair value of plan assets as at year end	127.15	103.69
Net (asset) / liability recognised as at year end	28.09	42.98
Recognised under :		
Short term provisions	12.83	1.94
Long term provisions	15.25	41.04
	28.09	42.98

(vi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions

	As at 31st March, 2022		As at 31st March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate 1%/(0.5%) movement - Gratuity	(11.46)	13.27	(11.75)	13.65
Future salary growth 1%/(0.5%) movement - Gratuity	13.33	(11.70)	13.75	(12.03)

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

(vii) Expected future cash flows

The expected maturity analysis is as follows :	For year ended 31.3.2022	For year ended 31.3.2021
Expected benefits for year 1	30.79	132.45
Expected benefits for year 2	11.18	20.53
Expected benefits for year 3	11.42	24.64
Expected benefits for year 4	2.17	32.18
Expected benefits for year 5	14.73	27.54
Expected benefits for year 6 and above	69.88	244.18

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

CHMBOND CHEMICALS LTD

38 RELATED PARTY DISCLOSURES

Related party disclosures as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered 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 & Materials Ltd,and 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, Bhadresh D. Shah,Mahendra K.Ghelani, Sushil U.Lakhani,Dr.Prakash Trivedi,Sarawati Sankar.

Relatives :

Padma V. Shah, Dr. Shilpa S. Shah, Mamta N. Shah, Alpana S. Shah, Sandeep H. Shah, Jyoti N. Mehta, Nikhil J. Mehta, Amrita S. 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	31.03.2022			31.03.2021		
Description of the nature of transactions	Subsidiary	KMP & Entities where KMP are interested	Total	Subsidiary	KMP & Entities where KMP are interested	Total
Sales of Goods	**905.54**	**13.33**	**918.87**	**638.80**	**2.59**	**641.39**
Chembond Water Technologies Ltd	220.96		220.96	176.26		176.26
Chembond Material Technologies Pvt Ltd	347.70		347.70	269.77		269.77
Chembond Clean Water Technologies Ltd	0.81		0.81	2.64		2.64
Chembond Calvatis Industrial Hygiene Systems Ltd	170.29		170.29	116.51		116.51
Chembond Distribution Ltd	3.78		3.78	21.75		21.75
Finor Piplaj Chemicals Ltd.		13.33	13.33		2.59	2.59
Phiroze Sethna Pvt Ltd	85.69		85.69	0.19		0.19
Chembond Polymers & Materials Ltd	0.19		0.19	0.27		0.27
Chembond Biosciences Limited	76.11		76.11	51.41		51.41
Gramos Chemicals India Private Limited	-		-	0.23		0.23
Purchase of Goods	**625.87**	**142.50**	**768.37**	**695.77**	-	**695.77**
Chembond Water Technologies Ltd	69.54		69.54	48.40		48.40
Chembond Material Technologies Pvt Ltd	325.29		325.29	160.02		160.02
Chembond Clean Water Technologies Ltd	4.26		4.26	2.94		2.94
Chembond Biosciences Limited	49.24		49.24	44.30		44.30
Chembond Distribution Ltd	160.60		160.60	279.26		279.26
Finor Piplaj Chemicals Ltd.		142.50	142.50	155.27		155.27
Phiroze Sethna Pvt Ltd	15.23		15.23	4.98		4.98
Chembond Polymers & Materials Ltd	0.14		0.14	0.60		0.60
Chembond Calvatis Industrial Hygiene Systems Ltd	1.56		1.56	-		-
Purchase of Fixed Assets	**0.04**	-	**0.04**	-	-	-
Chembond Clean Water Technologies Ltd	-		-	-		-
Chembond Water Technologies Ltd	-		-	-		-
Chembond Material Technologies Pvt Ltd	-		-	-		-
Phiroze Sethna Pvt Ltd	0.04		0.04	-		-
Sale of Fixed Assets	**0.28**	-	**0.28**	**2.70**	-	**2.70**
Chembond Water Technologies Ltd			-			-
Chembond Clean Water Technologies Ltd	0.28		0.28			
Chembond Material Technologies Pvt Ltd			-			-
Phiroze Sethna Pvt Ltd			-	2.12		2.12
Chembond Polymers & Materials Ltd			-			-
Finor Piplaj Chemicals Ltd.			-			-
Gramos Chemicals India Private Limited			-	0.58		0.58
Sale of Consumable	-	-	-	**0.74**	-	**0.74**
Chembond Water Technologies Ltd			-	-		-
Phiroze Sethna Pvt Ltd			-	0.73		0.73
Gramos Chemicals India Private Limited			-	0.01		0.01
Rent Income	**69.30**	**29.06**	**98.36**	**59.70**	**12.24**	**71.94**
Chembond Water Technologies Ltd	63.54		63.54	50.94		50.94
Chembond Clean Water Technologies Ltd	4.50		4.50	5.70		5.70
Chembond Material Technologies Pvt Ltd	0.60		0.60	1.20		1.20
Chembond Polymers & Materials Ltd	0.42		0.42	0.42		0.42
Chembond Distribution Ltd	0.24		0.24	0.24		0.24
Chembond Calvatis Industrial Hygiene Systems Ltd			-	1.20		1.20
Finor Piplaj Chemicals Ltd.		3.00	3.00		3.00	3.00
Oriano Clean Energy Pvt Ltd		26.06	26.06		9.24	9.24
SubContract Receipt (Revenue)	**1,331.08**	-	**1,331.08**	**1,182.14**	-	**1,182.14**
Chembond Water Technologies Ltd	839.96		839.96	792.27		792.27
Chembond Material Technologies Pvt Ltd	397.22		397.22	301.01		301.01

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

Chembond Biosciences Limited	93.90		93.90	88.86		88.86
Service Charges(BSS) Income	**262.72**	-	**262.72**	**247.11**	-	**247.11**
Chembond Water Technologies Ltd	238.08		238.08	206.35		206.35
Chembond Polymers & Materials Ltd	24.64		24.64	40.76		40.76
Chembond Calvatis Industrial Hygiene Systems Ltd			-	-		-
Corporate Gurantee Fees Income	**20.50**	-	**20.50**	**20.50**	-	**20.50**
Chembond Water Technologies Ltd	19.00		19.00	19.00		19.00
Chembond Clean Water Technologies Ltd	1.50		1.50	1.50		1.50
Dividend Income	**220.00**	-	**220.00**	-	-	-
Chembond Water Technologies Ltd	220.00		220.00	-		-
Chembond Clean Water Technologies Ltd	-		-	-		-
Phiroze Sethna Pvt Ltd	-		-	-		-
Interest Income	**165.62**	-	**165.62**	**159.07**	-	**159.07**
Chembond Material Technologies Pvt Ltd	115.92		115.92	115.92		115.92
Chembond Biosciences Limited	41.38		41.38	38.95		38.95
Chembond Distribution Ltd			-	2.76		2.76
Chembond Polymers & Materials Ltd	0.53		0.53	0.29		0.29
Phiroze Sethna Pvt Ltd	7.79		7.79	1.14		1.14
Rental Expenses	-	**6.00**	**6.00**	-	**13.26**	**13.26**
Finor Piplaj Chemicals Ltd.		6.00	6.00		13.26	13.26
Reimbursement of Expenses	**9.20**	-	-	-	-	-
Chembond Material Technologies Pvt Ltd	4.60	-	-	-	-	-
Chembond Biosciences Limited	4.60	-	-	-	-	-
Director Remunration	-	127.69	127.69	-	103.42	103.42
Sameer V .Shah		82.69	82.69		65.12	65.12
Nirmal V. Shah		45.00	45.00		38.30	38.30
Director Sitting Fees	-	**13.43**	**13.43**	-	**9.38**	**9.38**
Ashwin Nagarwadia		3.50	3.50		3.16	3.16
Mahendra Ghelani		4.00	4.00		3.13	3.13
Sushil Lakhani		3.00	3.00		1.78	1.78
Sarswati Sankar		1.18	1.18		0.88	0.88
Dr.Prakash Trivedi		1.75	1.75		0.44	0.44
Professional & Consulting Fees	-	**32.77**	**32.77**	-	**31.21**	**31.21**
Bhadresh D. Shah		32.77	32.77		31.21	31.21
Royalty	-	**10.70**	**10.70**	-	**11.40**	**11.40**
S and N Ventures Ltd		10.70	10.70		11.40	11.40
Balance at the end of the year						
A. Loans Given	**1,982.00**	-	**1,982.00**	**1,817.00**	-	**1,817.00**
Chembond Material Technologies Pvt Ltd	1,288.00		1,288.00	1,288.00		1,288.00
Chembond Biosciences Limited	604.00		604.00	434.00		434.00
Chembond Polymers & Materials Ltd			-	50.00		50.00
Phiroze Sethna Pvt Ltd	90.00		90.00	45.00		45.00
B. Sundry Debtors	**1,528.70**	**1.86**	**1,530.56**	**849.42**	**1.75**	**851.16**
Chembond Water Technologies Ltd	76.72		76.72	108.35		108.35
Chembond Clean Water Technologies Ltd	1.98		1.98	1.90		1.90
Chembond Distribution Ltd	3.43		3.43	34.96		34.96
Chembond Calvatis Industrial Hygiene Systems Ltd	31.59		31.59	31.14		31.14
Chembond Material Technologies Pvt Ltd	968.88		968.88	491.31		491.31
Chembond Water Technologies (Malaysia) Sdn Bhd			-			-
Chembond Polymers & Materials Ltd	6.41		6.41	21.25		21.25
Chembond Biosciences Limited	333.57		333.57	155.77		155.77
Phiroze Sethna Pvt Ltd	103.92		103.92	2.62		2.62
Gramos Chemicals India Private Limited	2.19		2.19	2.12		2.12
Finor Piplaj Chemicals Ltd.		1.86	1.86		1.75	1.75
C. Sundry Creditors	**46.62**	**44.66**	**100.66**	**11.86**	**43.58**	**180.67**
Chembond Water Technologies Ltd	21.07		21.07	11.29		11.29
Chembond Material Technologies Pvt Ltd	24.81					
Chembond Biosciences Limited	0.57					
Chembond Clean Water Technologies Ltd			-	0.56		0.56
Chembond Polymers & Materials Ltd	0.17		0.17	-		-
Chembond Calvatis Industrial Hygiene Systems Ltd			-	-		-
S and N Ventures Ltd			-		1.18	1.18
Finor Piplaj Chemicals Ltd.		44.66	44.66		42.40	42.40
Phiroze Sethna Pvt Ltd			-	-		-
Chembond Distribution Ltd	34.76		34.76	125.23		125.23
D. Investments	**11,368.64**	-	**11,368.64**	**11,368.64**	-	**11,368.64**
Chembond Water Technologies Ltd	4,887.86		4,887.86	4,887.86		4,887.86
Chembond Material Technologies Pvt Ltd	1,552.32		1,552.32	1,552.32		1,552.32
Chembond Biosciences Limited	190.00		190.00	190.00		190.00
Chembond Calvatis Industrial Hygiene Systems Ltd	32.39		32.39	32.39		32.39
Chembond Distribution Ltd	92.40		92.40	92.40		92.40
Chembond Polymers & 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

BATHIYA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

CHEMBOND CHEMICALS LIMITED
NAVI MUMBAI

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, 2022, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

40 **Tax Reconciliation**

		2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)
(a)	The income tax expense consists of the followings:		
	Particulars		
	Current Income Tax	252.76	266.12
	Deferred Tax Expense	(34.35)	30.90
	Short/Excess Provision	0.00	0.56
	Tax expense for the year	218.41	297.58
(b)	Reconciliation of tax expense and the accounting profit multiplied by India's tax Rate		
	Profit before income tax expense	1,092.70	1,204.90
	Indian statutory income tax rate (MAT)	17.47%	16.69%
	Expected Income Tax expenses	190.93	211.14
	Part A		
	Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
	Income exempt from income taxes	0.00	(8.91)
	Additional allowances/deduction	3.75	7.17
	Transition gain	59.02	56.38
	Short/Excess Provision	0.00	0.56
	Others	(0.94)	0.34
	Current Tax (A)	252.76	266.68
	Part B		
	Deferred Tax Effect at the rate of:	29.12%	29.12%
	Depreciation	(4.45)	(9.74)
	Investments at Fair Value	11.44	42.26
	Less:		
	Gratuity	3.03	(0.52)
	MAT Credit	36.33	(8.44)
	Other Deferred tax Asset	(1.61)	(1.06)
	Provision for Doubtful Debts	3.58	11.64
	Deferred Tax (B)	(34.35)	30.91
	Tax Expense (A+B)	218.41	297.58

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

	Particulars	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
	Contingent Liabilities not provided for :		
a)	Claims against the company not acknowledged as debts -		
	i) Income Tax matter under Appeal	15.45	13.18
	ii) Service tax due as per final audit report and show cause notice**	265.71	278.96
	iii) Income tax demands pending for rectification	98.35	6.78
b)	Counter Guarantees given by Company for Bank Guarnatees issued -		
	i) Outstanding L.C & Bank Guarantees issued by Bankers.	64.87	57.29
	ii)Corporate Guarantee given to Bank of India by the Company on behalf of Subsidiaries Chembond Water Technologies Ltd. & Step Subsidiary Chembond Clean Water Technologies Ltd.	2050.00	2050.00
B)	**Capital Commitements**		
	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	0.12	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.

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

NOTE : 42

ADDITIONAL REGULATORY INFORMATION

	2021-2022	2020-21
(a) Current Ratio		
Current Assets(A)	8,557.87	7,439.37
Current Liabilties(B)	863.61	999.07
Current Ratio(A/B)	**9.91**	**7.45**
Increase in Invt. & Trade receivables and decrease in trade payables		
(b) Debt-Equity Ratio		
Total Borrowings(A)	0.00	0.00
Total Shareholders' Equity(B) - Total Equity	24,501.26	23,930.28
Debt-Equity Ratio(A/B)	-	-
(c) Debt Service Coverage Ratio		
EBITDA(A) - PBT+Finance Costs + Depreciation	1,367.53	1,552.47
Interest on Loan+Loan repayment in a year(B)	0.00	0.00
Debt Service Coverage Ratio(A/B)	-	-
(d) Return on Equity Ratio		
Net Profit(A)	874.37	967.32
Average Shareholders Euity(B)	24,215.77	23,447.28
Return on Equity Ratio(A/B)	**3.61%**	**4.13%**
(e) Inventory turnover ratio		
Raw materials,components,finished goods and work in progress consumed (A)	2,271.98	1,895.75
Average Inventory(B)	340.12	429.93
Inventory turnover Ratio(A/B)	**6.68**	**4.41**
Decrease in inventory & increase in cost of goods sold due to proportionate increase in sales		
(f) Trade receivables turnover ratio		
Net sales(A)	4,616.64	4,203.69
Average Accounts receivable(B)	1,990.28	1,769.58
Trade receivable turnover Ratio(A/B)	**2.32**	**2.38**
(g) Trade Payables turnover ratio		
Net Purchases(A)	2,271.98	1,895.75
Average trade payable(B)	673.71	684.16
Trade Payables turnover Ratio(A/B)	**3.37**	**2.77**
(h) Net Capital turnover ratio		
Net sales(A)	4,616.64	4,203.69
Net Working Capital(B) - Current assets less current liabilities	7,694.26	6,440.30
Net Capital turnover Ratio(A/B)	**0.60**	**0.65**
(i) Net Profit ratio		
Net Profit(A)	874.37	967.32
Net Sales(B)	4,616.64	4,203.69
Net Profit Ratio(A/B)	**19%**	**23%**
(j) Return on Capital employed		
EBIT(A) - PBT+Finance Costs	1,097.60	1,272.01
Shareholders Equity+Long term liabilities(B) - Total Equity + Deferred tax liabilities	24,604.39	24,093.54
Return on Capital employed(A/B)	**0.04**	**0.05**
(k) Return on Investment		
Net Profit(A)	874.37	967.32
Net assets(B) - Fixed assets + Current assets less current liabilities	10,946.82	9,855.09
Return on Investment(A/B)	**8%**	**10%**

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

NOTE : 43

Ageing Schedule for Trade receivables

Ageing for trade receivables outstanding as on 31st Mar'22 is as follows :

Amount in Rs lakhs

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed trade receivables - considered good	453.12	814.65	313.00	226.46	110.86	319.93	2,238.02
ii) Undisputed trade receivables - which have significant increase in credit risk							-
iii) undisputed trade receivables - credit impaired							-
iv) Disputed trade receivables - considered good							-
v) Disputed trade receivables - which have significant increase in credit risk							-
vi) Disputed trade receivables - credit impaired							-
Less : Allowance for doubtful trade receivables							(98.87)
Trade receivables							**2,139.15**

Ageing for trade receivables outstanding as on 31st Mar'21 is as follows :

Amount in Rs lakhs

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed trade receivables - considered good	605.62	791.24	83.72	112.99	103.08	231.33	1,927.97
ii) Undisputed trade receivables - which have significant increase in credit risk							-
iii) undisputed trade receivables - credit impaired							-
iv) Disputed trade receivables - considered good							-
v) Disputed trade receivables - which have significant increase in credit risk							-
vi) Disputed trade receivables - credit impaired							-
Less : Allowance for doubtful trade receivables							-86.56
Trade receivables							**1,841.41**

NOTE : 44

Ageing Schedule for Trade Payables

Ageing for trade Payables outstanding as on 31st Mar'22 is as follows :

Amount in Rs lakhs

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 yr	1 -2 yrs	2-3 yrs	More than 3 yrs.	Total
I) MSME	23.30	1.27	0.02	-	-	24.59
II) Others	320.59	168.18	-0.73	8.88	33.79	530.72
III) Disputed dues - MSME	-	-	-	-	-	-
IV) Disputed dues - Others	-	-	-	-	-	-
Accrued expenses						52.88
Net trade payables						**608.19**

Ageing for trade Payables outstanding as on 31st Mar'21 is as follows :

Amount in Rs lakhs

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 yr	1 -2 yrs	2-3 yrs	More than 3 yrs.	Total
I) MSME	79.90	26.01	-	-	-	105.92
II) Others	354.96	214.27	7.39	4.40	25.19	606.22
III) Disputed dues - MSME						-
IV) Disputed dues - Others						-
Accrued expenses						27.10
Net trade payables						**739.23**

NOTE : 45

Ageing Schedule for Capital Work in Progress

Ageing for CWIP as on 31st Mar'22 is as follows :

Amount in Rs lakhs

Particulars	Amount in CWIP for period of				
	Less than 1	1-2 years	2-3 years	More than 3	Total
i) Projects in progress	30.90	-	9.16	-	40.07
ii) Projects temporarily suspended	-	-	-	-	-
Total					40.07

Ageing for CWIP as on 31st Mar'21 is as follows :

Amount in Rs lakhs

Particulars	Amount in CWIP for period of				
	Less than 1	1-2 years	2-3 years	More than 3	Total
i) Projects in progress	33.75	9.15	-	-	42.90
ii) Projects temporarily suspended	-	-	-	-	-
Total					42.90

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

NOTE : 46

Additional regulatory information not disclosed elsewhere in the financial information

A The Company do not have any Benami property and no proceedings have been initiated or pending against the Company and its Indian subsidiaries for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder

B The Company do not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, except for the parties mentioned below:

Name of Struck off Company	Nature of transactions with struck-off Company	Balance Outstanding as on 31st Mar'22	Balance Outstanding as on 31st Mar'21	Relationship with the Struck off company, if any, to be disclosed
Lanxess India Private Limited	Receivables	0.36	0.36	Nil
Shree engineers infrastructure Private limited	Receivables	(0.02)	(0.02)	Nil

C The Company does not have any charge which is yet to be registered / satisfied with ROC beyond the statutory period except the following :

Brief description of the charges or satisfaction	Amount (Rs in lakhs)	Location of the Registrar	Period (in days or months) by which	Remarks
Deed of Hypothecation of stocks (Bank Name :BOI, Charge ID : 90141528)	0.50	Mumbai	-	The charge is open in the record of the Registrar of Companies on account of delay in receipt of no dues certificates from Bank of India, though there are no outstanding to the bank.
Hypothecation of tangible property (Bank Name :MSFC, Charge ID : 90141731)	15.00	Mumbai	-	The charge is open in the record of the Registrar of Companies on account of delay in receipt of no dues certificates from Maharashtra State Financial Corporation, though there are no outstanding to the bank.

D The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall.
directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

E The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

F The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

G The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.

H The Company has not been declared as a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

I The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

NOTE : 47

Working Capital Facilities:-

Details of credit facilities from banks:

The Company has sanctioned credit facilities from HDFC Bank of Rs. 879.00 lakhs (i.e cash credit facility - Rs.579.00 lakhs and letter of credit - Rs. 300.00 lakhs)
The Company has not utilised cash credit facilities at the year end.

Terms of loan

a) The credit facility carries interest at mutually agreed rates,(interest payable on monthly rests).
b) The credit facility is secured by : Hypothecation of stocks and bookdebts, Factory land & building and post dated cheque of INR 50 Mn.

Working capital reconciliation :Statements filed with banks reconciled with Books ofaccount

There were no differences for stock statements of all quarters and debtors statement for Jul to Sep 2021 period.

Amount in Rs lakhs

Quarter	Name of Bank	Particulars of securities provided	Amt. as per books of account	Amount as reported in the Quarterly return/Statement	Amt. of Difference	Reason for Material discrepancies
Apr'21 - Jun'21	HDFC Bank	Debtors	2,018.89	2,067.90	(49.01)	These discrepancies are primarily on account of Provision for doubtful debts which is considered in the financials post finalisation of accounts.
Oct'21 - Dec'21	HDFC Bank	Debtors	2,464.05	2,483.92	(19.88)	These discrepancies are primarily on account of Provision for doubtful debts which is considered in the financials post finalisation of accounts.
Jan'22 - Mar'22	HDFC Bank	Debtors	2,139.15	2,196.92	(57.77)	These discrepancies are primarily on account of Provision for doubtful debts which is considered in the financials post finalisation of accounts.

BATHIYA & ASSOCIATES Chartered Accountants MUMBAI

CHEMBOND CHEMICALS LIMITED NAVI MUMBAI

48 **FIRE INCIDENT**

A fire broke out at our Tarapur, Maharashtra plant on 21st April, 2022. This incident resulted in 1 fatality. The fire has resulted in disruption of operations at the plant owing to damage to some inventory (est. at Rs 119.50 lakhs) and property, plant and equipment (est. at Rs 607.00 lakhs). Alternate arrangements for continuity of operations have been made. The Company has insurance policies covering inventory, property, plant and equipment and a claim has been filed. This being an event occurring after the balance sheet date, the impact of loss will be accounted for in FY 2022-23

49 The company has evaluated the option permitted under section 115BAA of the Income Tax Act, 1961 (the "Act") as introduced by the Taxation Laws (Ammendment) Ordinance, 2019. Accordingly, the company has presently decided to continue with the existing tax structure.

50 The previous year figures have been regrouped, reallocated or reclassified wherever necessary to confirm to current year classification and presentation.

As per our attached report of even date
For Bathiya & Associates LLP
Chartered Accountants
FRN - 101046W/W100063

Jatin A. Thakkar
Partner
Membership No. : 134767
Mumbai, 14th May 2022

On behalf of the Board of Directors

Sameer V. Shah
Chairman
& Managing Director

Nirmal V. Shah
Vice Chairman
& Managing Director

Sushil U. Lakhani
Director

Rashmi S. Gavli
Chief Financial Officer
Mumbai, 14th May 2022

Suchita Singh
Company Secretary