

# **INDEPENDENT AUDITOR'S REPORT**

To the Members of

**Phiroze Sethna Private Limited**

## **1. Opinion**

We have audited the accompanying standalone financial statements of **Phiroze Sethna Private Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit, total comprehensive income, Changes in equity and its Cash Flows for the year ended on that date.

## **2. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 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 on the Standalone Financial Results.

## **3. Information Other than Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexures to the Board Report, but does not include the standalone financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

#### 4. **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

#### 5. **Auditor's Responsibility for the audit of the Financial Statements.**

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

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



## 6. Report on Other Legal and Regulatory Requirements

- A) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- B) 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 purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, **except for certain matters in respect of audit trail as stated in paragraph 2h(vi) below**
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (IND AS) specified under section 133 of the Act.
  - e. On the basis of written representations received from the Directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in paragraph 6B(b) above on reporting under section 143(3)(b) of the Act and paragraph 6B(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
  - h. The Company being a Private Limited company and hence the provisions of Section 197 of the Companies Act, 2013 are not applicable to the Company. Accordingly, we are not required to and have not reported other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act; and



- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact if any, of pending litigations on its financial position in its financial statements,
  - ii. In our opinion and as per the information and explanations provided to us the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or Indian accounting standards for material foreseeable losses; and
  - 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 the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 Company ("ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company 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.  
  
(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under iv (a) and (b) above, contain any material misstatement.
  - v. The company has not declared or paid any dividend during the year.



- vi. Based on our examination which included test checks, the Company, has used an accounting software, payroll application and employee reimbursement software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software/application. However, audit trail feature is not enabled at the database level for accounting software to log any direct data changes as described in Note 38 to the financial statements. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of the accounting software, payroll application and employee reimbursement software.

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

For M/s. Kastury & Talati  
Chartered Accountants  
Firm's Registration No: 104908W

  
Dhiren P. Talati: Partner  
Membership No: F/41867

Place: Mumbai  
Date : 11<sup>th</sup> May, 2024



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

The Annexure Referred to in paragraph 6A of the Independent Auditor's Report of even date to the members of Phiroze Sethna Private Limited on the Financial Statements for the year ended March 31, 2024.

- 1) (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 programme of physical verification of its Property, Plant and Equipment by which Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, 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 on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the company.  
  
(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment or intangible assets during the year under consideration.  
  
(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any Benami Property under the Benami Transactions (Prohibitions) Act, 1988 and Rules made there under.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals and in our opinion the coverage and procedure of such verification by the management is appropriate. As informed to us, discrepancies of 10% or more in the aggregate for each class of Inventory on physical verification of the inventory as compared to books records has not been noticed.  
  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company, during any point of time of the year, has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- 3) During the year under consideration, the Company has made investments in and granted unsecured loans or advances in the nature of loans to its subsidiary companies.  
  
(a) (A) With respect to loans or advances in the nature of loans to subsidiary, the aggregate amount provided during the year is Rs. 150.00 lakhs and balance outstanding as on 31<sup>st</sup> March, 2024 is Rs. 217.00 lakhs. According to the information and explanations given to us, the Company has not provided guarantees or securities to Subsidiaries, joint ventures and associates.





(B) According to the information and explanations given to us, the Company has not given any loans or advances and guarantees or security to parties other than subsidiary, joint venture and associates.

(b) In our opinion and according to the explanation given to us, the Investments made and the terms and conditions of the grant of Loans and Advances in the nature of Loans to its subsidiaries are prima facie not prejudicial to the interest of the company.

(c) According to the information and explanations given to us, the schedule of repayment of principal and payment of interest has not been stipulated.

(d) As stated above, there is no repayment schedule hence there is no overdue amount in respect of grant of Loans and Advances in the nature of Loan to its subsidiary.

(e) According to the information and explanations given to us, the Company has not granted any loan or advances in the nature of loan which has fallen due during the year. Further no fresh loans or advances in the nature of loans has been granted to settle the overdue of existing loans given to the same parties.

(f) According to the information and explanations given to us, the company has granted loans or advances in the nature of loan to its subsidiary which are repayable on demand and without specifying any terms or period of repayment. The aggregate amount of the same outstanding as on 31<sup>st</sup> March, 2024 is Rs. 217.00 lakhs and represents 100% of all loans and advances in the nature of loans granted by the company.

- 4) The company has not given loans, made investments, given guarantees and provided securities covered by provisions of section 185 and 186 of the Companies Act, 2013. Therefore, clause 3(iv) of the aforesaid Order is not applicable to the Company.
- 5) The Company has not accepted any deposits or amounts which are deemed to be deposits and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under Sub Section (1) of Section 148 of the Act, in respect of any of the products or services of the Company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other statutory dues as applicable with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as on the last day of the financial year concerned for a period of more than six months from the date they become payable.





(b) According to the information and explanation given to us and the records of the company examined by us, there are no Statutory dues of Goods and Service Tax, Provident Fund, Employees' State Insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues which have not been deposited on account of any dispute except for the following:-

| Name of the Statute  | Nature of Dues | Amount (Rs. In Lakhs) | Period to which matter relates | Forum where dispute is pending |
|----------------------|----------------|-----------------------|--------------------------------|--------------------------------|
| Income Tax Act, 1961 | Income Tax     | 10.20                 | A.Y. 2015 – 2016               | Assessing Officer, Mumbai      |
| Income Tax Act, 1961 | Income Tax     | 394.11                | A.Y. 2018 – 2019               | Assessing Officer, Mumbai      |

- 8) According to the information and explanations given to us and the records of the company examined by us, the Company does not have any transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the Tax assessments under the Income Tax Act, 1961.
- 9) (a) According to the information and explanations given to us and the records of the company examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and the records of the company examined by us, the Company is not declared willful defaulter by any bank or financial institution or any other lender.
- (c) According to the information and explanations given to us and the records of the company examined by us, the Company has not obtained any term loans.
- (d) Based upon the audit procedures performed, the information and explanations given to us and the records of the company examined by us, the funds raised on short term basis have not been utilized for long term purposes.
- (e) Based upon the audit procedures performed, the information and explanations given to us and the records of the company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) Based upon the audit procedures performed, the information and explanations given to us and the records of the company examined by us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- 10) (a) Based upon the audit procedures performed, the information and explanations given to us and the records of the company examined by us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.



(b) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.

11) (a) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, no material fraud by the Company or on the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies 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, during the year and up to the date of this report in respect of any fraud against the Company by its officers or employees.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act and details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

14) (a) In our opinion and based on our examination, the company does not have an internal audit system and is also not required to have an internal audit system as per section 138 of the Companies Act 2013.

(b) In view of the above, the provisions of clause 3(xiv)(b) of the Order are not applicable to the Company.

15) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with its directors. Accordingly, the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16) (a) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, in our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.



(b) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, in our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, in our opinion, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, the group does not have any Core Investment Company (CIC).

- 17) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, the Company has not incurred cash losses during the year under consideration. However, the company had incurred cash loss of ₹ 328.26 lakhs in the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors during the year and accordingly the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, 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.
- 20) In our Opinion, the provisions of section 135 are not applicable to the Company. Accordingly, the provisions of clause 3(xx) of the order are not applicable to the Company.



- 21) Based on the Second Proviso of Rule 6 of the Companies (Accounts) Rules, 2014 provisions for Consolidated Financial Statements are not applicable to the Company, as the Ultimate Holding Company prepares and files Consolidated Financial Statements with the registrar. Accordingly, the provisions of clause 3(xxi) of the order are not applicable to the Company.

For M/s Kastury & Talati  
Chartered Accountants  
Firm's Registration No: 104908W

Place: Mumbai  
Date : 11<sup>th</sup> May, 2024

Dhiren P. Talati: Partner  
Membership No: F/41867



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

The Annexure Referred to in paragraph 6B(f) of the Independent Auditor's Report of even date to the members of Phiroze Sethna Private Limited on the Financial Statements for the year ended March 31, 2024.

### **Report on the Internal Financial Controls 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 Phiroze Sethna Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Opinion**

In our opinion, 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 March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

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

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

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

For M/s. Kastury & Talati  
Chartered Accountants  
Firm's Registration No: 104908W



Dhiren P. Talati: Partner  
Membership No: F/41867

Place: Mumbai  
Date : 11<sup>th</sup> May, 2024



**Phiroze Sethna Private Limited**  
**CIN U25209MH1975PTC018396**  
**Balance Sheet as at 31st March 2024**

|   |   | Notes | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|---|---|-------|------------------------------------|------------------------------------|
| <b>I ASSETS</b>   |   |       |                                    |                                    |
| 1   | Non-current assets                                  |       |                                    |                                    |
| (a)   | Property, plant and equipment and Intangible Assets |       |                                    |                                    |
|   | i) Property, plant and equipment                    | 2     | 14.62                              | 20.31                              |
|   | ii) Capital work-in-progress                        |       |                                    |                                    |
| (b)   | Financial Assets                                    |       |                                    |                                    |
|   | i) Investments                                      | 3     | 609.56                             | 238.33                             |
|   | ii) Other financial assets                          | 4     | 60.05                              | 60.30                              |
| (c)   | Deferred tax assets (net)                           | 5     | 99.21                              | 89.14                              |
| (d)   | Income tax assets(net)                              | 6     | 27.31                              | 20.56                              |
|   |   |       | <b>810.75</b>                      | <b>428.64</b>                      |
| 2   | Current Assets                                      |       |                                    |                                    |
| (a)   | Inventories   | 7     | 5.46                               | 16.57                              |
| (b)   | Financial Assets                                    |       |                                    |                                    |
|   | i) Investments                                      | 8     | 45.05                              | 34.65                              |
|   | ii) Trade receivables                               | 9     | 3.69                               | 134.87                             |
|   | iii) Cash and cash equivalents                      | 10    | 4.29                               | 20.92                              |
|   | iv) Bank balances other than (iii) above            | 11    | 5.00                               | 5.00                               |
|   | v) Loans  | 12    | 217.00                             | 76.00                              |
| (c)   | Current Tax (Net)                                   | 13    | 13.23                              | 6.74                               |
| (d)   | Other current assets                                | 14    | 9.64                               | 11.09                              |
| 3   | Non Current Assets held for sale                    | 15    | -                                  | 64.57                              |
|   |   |       | <b>303.36</b>                      | <b>370.41</b>                      |
| <b>Total Assets</b>   |   |       | <b>1,114.11</b>                    | <b>799.06</b>                      |
| <b>II EQUITY AND LIABILITIES</b>                                  |   |       |                                    |                                    |
| 1   | Equity  |       |                                    |                                    |
| (a)   | Equity Share capital                                | 16    | 4.00                               | 4.00                               |
| (b)   | Other equity  | 17    | 948.58                             | 467.50                             |
|   | <b>Total Equity</b>                                 |       | <b>952.58</b>                      | <b>471.50</b>                      |
| 2   | Non-Current Liabilities                             |       | -                                  | -                                  |
| 3   | Current liabilities                                 |       |                                    |                                    |
| (a)   | Financial liabilities                               |       |                                    |                                    |
|   | i) Borrowings                                       | 18    | -                                  | 90.00                              |
|   | ii) Trade payables                                  |       |                                    |                                    |
|   | Trade payables -MSMED                               | 19    | -                                  | 17.64                              |
|   | Trade payables -Others                              | 19    | 20.56                              | 109.08                             |
| (b)   | Other current liabilities                           | 20    | 116.35                             | 25.06                              |
| (c)   | Provisions  | 21    | 24.62                              | 85.77                              |
|   | <b>Total Liabilities</b>                            |       | <b>161.54</b>                      | <b>327.56</b>                      |
| <b>Total Equity and Liabilities</b>                               |   |       | <b>1,114.11</b>                    | <b>799.06</b>                      |
| Significant accounting policies and Notes on Financial Statements |   | 1-39  |                                    |                                    |

As per our attached report of even date

For M/s Kastury & Talati  
Chartered Accountants  
FRN-104908W

Dhiren P. Talati  
Partner  
Membership No. F/41867  
Place : Mumbai  
Date : 11th May 2024



For and on behalf of the Board of Directors of  
Phiroze Sethna Private Limited

Sameer V Shah  
Director  
Din: 00105721  
Place : Navi Mumbai  
Date : 11th May 2024

Rashmi S Gavli  
Director  
Din: 08001649  
Place : Navi Mumbai  
Date : 11th May 2024





**Phiroze Sethna Private Limited**  
**Statement of Profit and Loss for the year ended 31st March 2024**

|      | Notes  | 2023-24<br>(Rs. In lakhs) | 2022-23<br>(Rs. In lakhs) |
|------|--|---------------------------|---------------------------|
| I    | Revenue From Operations  | 88.87                     | 441.64                    |
| II   | Other Income   | 631.91                    | 67.37                     |
| III  | Total Revenue (I+II)   | 720.78                    | 509.01                    |
| IV   | Expenses :   |                           |                           |
| a)   | Cost of Materials Consumed   | 43.90                     | 415.39                    |
| b)   | Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade    | 6.83                      | 14.77                     |
| c)   | Employee Benefits Expense  | 42.73                     | 272.09                    |
| d)   | Finance Costs  | 3.75                      | 8.22                      |
| e)   | Depreciation and Amortisation expense  | 5.61                      | 6.22                      |
| f)   | Other Expenses   | 55.40                     | 108.03                    |
|      | Total Expenses   | 158.22                    | 824.72                    |
| V    | Profit before Exceptional items and Tax  | 562.56                    | (315.71)                  |
| VI   | Exceptional Items  | -                         | -                         |
| VII  | Profit before Tax  | 562.56                    | (315.71)                  |
| VIII | Tax Expense  |                           |                           |
|      | Current Tax  | 91.32                     | -                         |
|      | Deferred Tax   | (10.07)                   | 18.77                     |
|      | Total Tax Expense  | 81.25                     | 18.77                     |
| IX   | Profit for the Year  | 481.31                    | (334.48)                  |
| X    | Other Comprehensive Income   |                           |                           |
| 1    | i) Items that will not be reclassified to profit or loss                         | -0.25                     | 6.83                      |
|      | ii) Income Tax relating to items that will not be reclassified to profit or loss |                           | -                         |
| 2    | i) Items that will be reclassified to profit or loss                             |                           |                           |
|      | ii) Income Tax relating to items that will be reclassified to profit or loss     |                           |                           |
|      | Other Comprehensive Income (1+2)   | (0.25)                    | 6.83                      |
|      | Total Comprehensive Income   | 481.07                    | (327.65)                  |
| XI   | Earning Per Equity Share of Face Value of Rs. 100 each                           | 30                        |                           |
|      | Basic (in Rupees)  | 12,032.77                 | (8,362.01)                |
|      | Diluted (in Rupees)  | 12,032.77                 | (8,362.01)                |
|      | Significant Accounting Policies and Notes on Financial Statements                | 1-39                      |                           |

As per our attached report of even date

For M/s Kastury & Talati  
Chartered Accountants  
FRN-104908W

Dhiren P. Talati  
Partner  
Membership No. F/41867  
Place : Mumbai  
Date : 11th May 2024



For and on behalf of the Board of Directors of  
Phiroze Sethna Private Limited

Sameer V Shah  
Director  
Din: 00105721  
Place : Navi Mumbai  
Date : 11th May 2024

Rashmi S Gavli  
Director  
Din: 08001649  
Place : Navi Mumbai  
Date : 11th May 2024



**Phiroze Sethna Private Limited**  
**Cash Flow Statement for the year ended 31st March 2024**

(Rs. In Lakhs)

|  | 31.03.2024 |          | 31.03.2023 |          |
|--|------------|----------|------------|----------|
| <b>A Cash Flow from Operating Activities</b>                         |            |          |            |          |
| Profit before tax  |            | 562.56   |            | (315.71) |
| Adjustments for :  |            |          |            |          |
| Depreciation and amortisation  | 5.61       |          | 6.22       |          |
| Profit/Loss on Sale of Property, Plant & Equipment                   | -          |          | -          |          |
| Employee ESOP compensation   | -          |          | -          |          |
| Finance Cost   | 3.75       |          | 8.22       |          |
|  |            | 9.36     |            | 14.44    |
| Less :   |            |          |            |          |
| Foreign Exchange Fluctuation   | -          |          | -          |          |
| Net Gain on Investments  | 52.63      |          | -          |          |
| Profit on Sale of Property, Plant & Equipment                        | 524.72     |          | -          |          |
| Prior Period Items   | -          |          | -          |          |
| Interest income & management Fee                                     | 49.77      |          | 0.89       |          |
| Dividend Received  | 4.74       |          | 6.50       |          |
|  |            | (631.86) |            | (7.39)   |
| Operating Profit before working capital changes                      |            | (59.94)  |            | (308.66) |
| Adjustments for :  |            |          |            |          |
| Trade and Other Receivables  | (8.12)     |          | 423.74     |          |
| Inventories  | 11.11      |          | 65.68      |          |
| Trade and Other Payables   | (76.27)    |          | (275.01)   |          |
|  |            | (73.27)  |            | 214.41   |
| Cash generated from operations                                       |            | (133.21) |            | (94.25)  |
| Income taxes paid (Net of Refund)                                    |            | (104.55) |            | (6.82)   |
| <b>Net Cash from Operating Activities (A)</b>                        |            | (237.76) |            | (101.08) |
| <b>B Cash Flow from Investing Activities</b>                         |            |          |            |          |
| Proceeds from Sale of Property, plant & equipment's                  |            | 589.38   |            | 14.73    |
| Payment to acquire Property, plant & equipment's                     |            | -        |            | -        |
| Purchase of Investment   |            | (510.21) |            | 4.54     |
| Sale of Investment   |            | 181.21   |            | 76.41    |
| Interest Income & Management fees                                    |            | 49.77    |            | 0.89     |
| Dividend Income  |            | 4.74     |            | 6.50     |
| <b>Net Cash from Investing Activities (B)</b>                        |            | 314.89   |            | 103.06   |
| <b>C Cash Flow from Financing Activities</b>                         |            |          |            |          |
| Proceeds/(Repayment) of Short Term Borrowings                        |            | (90.00)  |            | -        |
| ESOP Shares Allotted   |            | -        |            | -        |
| Share Premium on ESOP Shares Allotted                                |            | -        |            | -        |
| Dividend paid  |            | -        |            | -        |
| Tax on dividend paid   |            | -        |            | -        |
| Proceeds/(Repayment) of Long Term Borrowings                         |            | -        |            | -        |
| Finance Cost   |            | (3.75)   |            | (8.22)   |
| <b>Net Cash from Financing Activities (C)</b>                        |            | (93.75)  |            | (8.22)   |
| <b>Net (Decrease)/Increase in Cash &amp; Cash Activities (A+B+C)</b> |            | (16.63)  |            | (6.22)   |
| Cash and Cash Equivalents and Other Bank Balances as on Opening      |            | 25.92    |            | 32.14    |
| Cash and Cash Equivalents and Other Bank Balances as on Closing      |            | 9.29     |            | 25.92    |

As per our attached report of even date  
For M/s Kastury & Talati  
Chartered Accountants  
FRN-104908W

**Dhiren P. Talati**  
Partner  
Membership No. F/41867  
Place : Mumbai  
Date : 11th May 2024



For and on behalf of the Board of Directors of  
Phiroze Sethna Private Limited

**Sameer V Shah**  
Director  
Din: 00105721  
Place : Navi Mumbai  
Date : 11th May 2024

**Rashmi S. Gavli**  
Director  
Din : 08001649  
Place : Navi Mumbai  
Date : 11th May 2024



Phiroze Sethna Private Limited

Statement Of Changes In Equity For The Year Ended 31st March 2024

(a) Equity share capital for the year ended 31st March 2024

|                                 | No. of Shares | Amount<br>(Rs in lakhs) |
|---------------------------------|---------------|-------------------------|
| Balance as at 31st March 2023   | 4,000         | 4.00                    |
| Changes in equity share capital | -             | -                       |
| Balance as at 31 March 2024     | 4,000         | 4.00                    |

(a) Equity share capital for the year ended 31st March 2023

|                                 | No. of Shares | Amount<br>(Rs in lakhs) |
|---------------------------------|---------------|-------------------------|
| Balance as at 31st March 2022   | 4,000         | 4.00                    |
| Changes in equity share capital | -             | -                       |
| Balance as at 31 March 2023     | 4,000         | 4.00                    |

(b) Other Equity for the year ended 31st March 2024

| Particulars  | Reserves and Surplus |                    |   | Statement of other comprehensive                |                    |
|--|----------------------|--------------------|---|---|--------------------|
|  | General Reserve      | Securities premium | Retained earnings/Profit & Loss Account | Remeasurements of the net defined benefit Plans | Total other equity |
| Balance as at 31st March 2023                        | 514.40               | 0.05               | (46.96)                                 | -   | 467.48             |
| Total Comprehensive                                  |                      |                    |   |   |                    |
| Profit for the year                                  |                      |                    | 481.31                                  | -   | 481.31             |
| Other comprehensive income for the year              |                      |                    | (0.25)                                  |   | (0.25)             |
| Income Tax of Earlier Years                          |                      |                    |   |   |                    |
| Transactions with owners of the company              |                      |                    |   |   |                    |
| Interim Dividend on Equity Shares                    |                      |                    |   |   |                    |
| Interim Dividend Distribution Tax                    |                      |                    |   |   |                    |
| Dividend on Equity Shares                            |                      |                    | -                                       |   | -                  |
| Dividend Distribution Tax                            |                      |                    | -                                       |   | -                  |
| Premium on allotment of shares by way of right issue |                      |                    |   |   | -                  |
| Transferred to General Reserve                       |                      |                    |   |   |                    |
| Transferred from Retained Earnings                   |                      |                    |   |   |                    |
| Balance as at 31st March 2024                        | 514.40               | 0.05               | 434.11                                  | -   | 948.55             |

(b) Other Equity for the year ended 31st March 2023

| Particulars                               | Reserves and Surplus |                            | Statement of other comprehensive Income |   |                    |
|---|----------------------|----------------------------|---|---|--------------------|
|   | General Reserve      | Capital Redemption Reserve | Retained earnings/Profit & Loss Account | Remeasurements of the net defined benefit Plans | Total other equity |
| Balance as at 31st March 2022             | 514.40               | 0.05                       | 280.69                                  | -   | 795.14             |
| Total Comprehensive                       |                      |                            |   |   |                    |
| Profit for the year                       |                      |                            | (334.48)                                |   | (334.48)           |
| Other comprehensive income for the year   |                      |                            | 6.83                                    |   | 6.83               |
| Income Tax of Earlier Years               |                      |                            |   |   |                    |
| Transactions with owners of the company   |                      |                            |   |   |                    |
| Interim Dividend on Equity Shares         |                      |                            |   |   |                    |
| Interim Dividend Distribution Tax         |                      |                            |   |   |                    |
| Dividend on Equity Shares                 |                      |                            |   |   |                    |
| Dividend Distribution Tax of earlier year |                      |                            |   |   |                    |
| Transferred to General Reserve            |                      |                            |   |   |                    |
| Transferred from Retained Earnings        |                      |                            |   |   |                    |
| Balance as at 31st March 2023             | 514.40               | 0.05                       | (46.96)                                 | -   | 467.49             |

As per our attached report of even date  
For M/s Kastury & Talati  
Chartered Accountants  
FRN-104908W

Dhiren P. Talati  
Partner  
Membership No. F/41867  
Place : Mumbai  
Date : 11th May 2024



For and on behalf of the Board of Directors of  
Phiroze Sethna Private Limited

Sameer V Shah  
Director  
Din: 00105721  
Place : Navi Mumbai  
Date : 11th May 2024

Rashmi S. Gavli  
Director  
Din : 08001649  
Place : Navi Mumbai  
Date : 11th May 2024



## Notes to the Financial Statements

For the year ended March 31, 2024

### COMPANY INFORMATION:

**Phiroze Sethna Private Limited (the 'Company') is a Private Limited company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is located at EL-71,Chembond Centre,MIDC,Mahape, Navi Mumbai-400 710**

The Company pioneered the manufacture of Polyvinyl Chloride (PVC) impression rollers used in duplicating machines exclusively for Gestetner India Ltd and PVC Dip moulded products for both consumer and industrial applications. The Company went on to specialize in liquid plastic products based on PVC such as PVC Plastics, PVC Sealants, PVC Underbody Coatings, PVC Organosols and PVC Protective Coatings.

## 1. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

### 1.1 Basis of preparation of financial statements

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 at the end of each reporting period, as stated in the accounting policies set out below.

The accounting policies have been applied consistently over all the periods presented in these financial statements 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.

### 1.2 Functional and presentation Currency

The financial statements are prepared in INR, which is the company's functional currency and is rounded off to the nearest lakhs except otherwise indicated.

### 1.3 Current / Non-Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset/liability is expected to be realised/ settled in the Company's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realised/ settled within twelve months after the reporting period



- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current

For the purpose of current / non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve 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.

#### 1.4 Use of Estimates

The preparation of Financial Statements is in conformity with Ind AS and requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent liabilities on the date of Financial Statements and reported amounts of revenues and expenses during the period. Accounting estimates can change from period to period. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, and if material, their effects are disclosed in the notes to the financial statements.

#### 1.5 Summary of significant accounting policies:

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

###### Measurement at recognition:

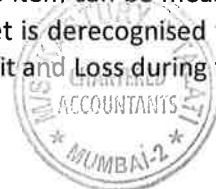
An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. An item of Property, plant and equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses if any.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment 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 Measurement:

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.



#### Capital work in progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress.

#### Depreciation and Amortization:

Depreciation on PPE\* (other than free hold and lease hold land) has been provided on Written Down Value basis at the rates prescribed in Schedule II of the Companies Act, 2013, Freehold land is not depreciated. Leasehold land is amortized over the primary period of lease.

#### Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

#### **b) Revenue Recognition**

Revenue is measured at the fair value of consideration received or receivable. Amounts disclosed as revenue are inclusive of Goods and Service Tax (GST) 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 is recognised when the Company's right to receive is established by the reporting date, which is generally when shareholders approve the dividend.

#### **c) Lease Accounting**

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Lease rentals on assets and premises taken on operating lease are recognised as expense in the Statement of Profit and Loss on an accrual basis over the lease term.

#### **d) Inventory**

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

Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition



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

The company considers factors like estimated shelf life, product discontinuances and ageing of inventory in determining the provision for slow moving, obsolete and other non-saleable inventory and adjusts the inventory provisions to reflect the recoverable value of inventory.

#### **e) Impairment of Assets**

##### **i) Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured based on lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or Reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

##### **ii) Impairment of non-financial assets**

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount on Written Down Value basis.

#### **f) 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.





## **i) Financial Assets**

### Initial recognition and measurement:

#### **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.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

**However, trade receivables that do not contain a significant financing component are measured at transaction price.**

### Subsequent measurement

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortised cost



- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)
- i. Financial assets measured at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortised cost.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

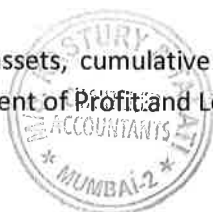
- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in OCI. However, the Company recognises dividend income from such instruments in the Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

On Derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is not reclassified from the equity to Statement of Profit and Loss.



Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in OCI. However, the Company recognises dividend income from such instruments in the Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

On Derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Statement of Profit and Loss.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.



## **Impairment of financial assets**

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortised cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. In case of other assets (listed as (ii) and (iii) above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance.

However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL

## **ii. Financial liabilities**

### **Initial recognition and measurement**

The Company recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

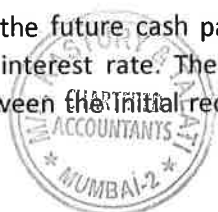
Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

### **Subsequent measurement:**

All financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is



added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortisation under effective interest method is recognised as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of 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.

#### **g) Trade and other payables**

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

#### **h) Provisions:**

The Company recognizes a provision when there is a present (legal or constructive) obligation as a result of a past event that can be estimated reliably and it is probable that an out flow of economic benefits will be required to settle the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### **i) Contingent Liability:**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

#### **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 Translation:

##### Initial recognition:

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. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

##### Measurement of foreign currency items at the Balance Sheet date:

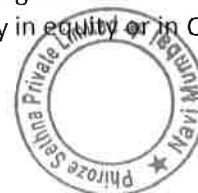
Foreign currency denominated monetary assets and liabilities of the Company are restated at the year-end closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are charged to the statement 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 impairment losses.

#### m) Income Taxes

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



**a. Current tax:**

Current tax is the amount of 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.

**b. 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. However, in case of temporary differences that arise from initial recognition of asset or liability in a transaction (other than in a business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences (if any) to the extent it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized. Such reductions are reversed when the probability of the future taxable profits improves.

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.

Deferred tax assets and liabilities are offset only if they relate to income taxes levied by the same taxation authority on the same taxable entity.

Current and deferred tax are recognised as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognised in Other Comprehensive Income. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

**n) Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Company's cash management.





## **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:**

##### **Provident Fund scheme**

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

##### **Gratuity**

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate entity (a fund) 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) Borrowing Cost:**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

**q) Segment Reporting:**

The Company has determined that it operates in a single business segment, namely "Manufacturing of chemically specialize in liquid plastic products based on PVC such as PVC Plastics, PVC Sealants, PVC Underbody Coatings, PVC Organosols and PVC Protective Coatings." As per IND AS-108 'Operating Segments', if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS-108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS-108 Operating Segments has been given in the consolidated financial statements.

**r) Events after reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

**s) Non-current Assets held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

**t) Earnings Per Share (EPS)**

Basic Earnings Per Share is calculated by dividing the net profit attributable to the equity shareholders of the Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares. Diluted Earnings Per Share is calculated by dividing net profit attributable to the equity shareholders of the Company with the weighted average number of shares outstanding during the financial year, adjusted for the effects of all dilutive potential equity shares.



## Notes on Financial Statements for the year ended 31st March, 2024

## 2 Property, Plant &amp; Equipment

(Rs.in lakhs)

|  | Gross Block         |                           |                           |                     | Accumulated Depreciation |                     |                           |                         |                           | Net Block          |                      |                    |
|--|---------------------|---------------------------|---------------------------|---------------------|--------------------------|---------------------|---------------------------|-------------------------|---------------------------|--------------------|----------------------|--------------------|
|  | As at April 1, 2023 | Additions during the Year | Deletions during the Year | Asset Held for Sale | As at Mar 31, 2024       | As at April 1, 2023 | Additions during the Year | Dep asset held for sale | Deletions during the Year | As at Mar 31, 2024 | As at March 31, 2024 | As at Mar 31, 2023 |
| <b>Property, Plant &amp; Equipment</b> |                     |                           |                           |                     |                          |                     |                           |                         |                           |                    |                      |                    |
| Land - Leasehold*                      | 0.06                |                           | 0.06                      |                     | -                        | -                   |                           |                         |                           | -                  | -                    | 0.06               |
| Factory Building                       | 78.74               |                           | 78.74                     |                     | -                        | 14.19               |                           |                         | 14.19                     | -                  | -                    | 64.55              |
| Machinery & Equipment                  | 25.10               |                           | 0.01                      |                     | 25.09                    | 10.97               | 4.57                      |                         |                           | 15.54              | 9.55                 | 14.13              |
| Electrical Installations               | 12.01               |                           |                           |                     | 12.01                    | 7.38                | 0.97                      |                         |                           | 8.35               | 3.66                 | 4.63               |
| Computer Equipment                     | 8.90                |                           | 0.02                      |                     | 8.88                     | 7.58                | 0.07                      |                         |                           | 7.65               | 1.22                 | 1.32               |
| Furniture & Fixtures                   | 1.23                |                           |                           |                     | 1.23                     | 1.03                |                           |                         |                           | 1.03               | 0.19                 | 0.19               |
| <b>Total</b>                           | <b>126.04</b>       | <b>-</b>                  | <b>78.84</b>              |                     | <b>47.20</b>             | <b>41.15</b>        | <b>5.61</b>               | <b>-</b>                | <b>14.19</b>              | <b>32.58</b>       | <b>14.62</b>         | <b>84.88</b>       |

\* Land is taken on lease. Hence depreciated uniformly over a period of 99 years.

## Notes on Financial Statements for the year ended 31st March, 2023

## 2 Property, Plant &amp; Equipment

(Rs.in lacs)

|  | Gross Block         |                           |                           |                     | Accumulated Depreciation |                     |                           |                         |                           | Net Block          |                      |                    |
|--|---------------------|---------------------------|---------------------------|---------------------|--------------------------|---------------------|---------------------------|-------------------------|---------------------------|--------------------|----------------------|--------------------|
|  | As at April 1, 2022 | Additions during the Year | Deletions during the Year | Asset Held for Sale | As at Mar 31, 2023       | As at April 1, 2022 | Additions during the Year | Dep asset held for sale | Deletions during the Year | As at Mar 31, 2023 | As at March 31, 2023 | As at Mar 31, 2022 |
| <b>Property, Plant &amp; Equipment</b> |                     |                           |                           |                     |                          |                     |                           |                         |                           |                    |                      |                    |
| Land - Leasehold*                      | 0.06                |                           |                           |                     | 0.06                     | -                   |                           |                         |                           | -                  | 0.06                 | 0.06               |
| Factory Building                       | 79.69               |                           |                           | 0.94                | 78.74                    | 13.65               | 1.48                      | 0.94                    |                           | 14.19              | 64.55                | 66.03              |
| Machinery & Equipment                  | 32.08               |                           | 6.98                      |                     | 25.10                    | 11.45               | 2.62                      |                         | 3.10                      | 10.97              | 14.13                | 20.64              |
| Electrical Installations               | 20.18               |                           | 8.17                      |                     | 12.01                    | 7.36                | 1.17                      |                         | 1.15                      | 7.38               | 4.63                 | 12.82              |
| Computer Equipment                     | 13.20               |                           | 4.30                      |                     | 8.90                     | 11.39               | 0.16                      |                         | 3.97                      | 7.58               | 1.32                 | 1.81               |
| Furniture & Fixtures                   | 8.62                |                           | 7.40                      |                     | 1.23                     | 4.14                | 0.80                      |                         | 3.90                      | 1.03               | 0.19                 | 4.48               |
| <b>Total</b>                           | <b>153.83</b>       | <b>-</b>                  | <b>26.85</b>              |                     | <b>126.04</b>            | <b>47.99</b>        | <b>6.22</b>               | <b>0.94</b>             | <b>12.12</b>              | <b>41.15</b>       | <b>84.88</b>         | <b>105.84</b>      |

\* Land is taken on lease. Hence depreciated uniformly over a period of 99 years.



Notes on Financial Statements for the year ended 31st March, 2024

| 3 | Non-Current Investments  | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|---|--|------------------------------------|------------------------------------|
|   | <u>(Long Term Investment In Shares)</u><br><u>UNQUOTED (at Amortised Cost)</u><br><u>Investment In Subsidiaries</u>  |                                    |                                    |
|   | 48,000 (48,000) Equity Shares of Gramos Chemicals (India) Private Limited Face Value of Rs.100 each fully paid up<br>(Constituting 100% of the said Company's paid up capital) | 4.43                               | 4.43                               |
|   | <u>Investments In Equity Shares - Quoted</u><br>(at Fair Value through Profit or Loss)   |                                    |                                    |
|   | 9,114 (5,425) Equity Shares of HDFC Limited of Rs.2/- each fully paid up   | 131.96                             | 142.53                             |
|   | 3,700 (2,850) Equity Shares Tata Consultancy Services Limited of Re.1/- each fully paid up   | 143.42                             | 91.37                              |
|   | <u>Investments In Mutual Funds</u>   |                                    |                                    |
|   | 85,415.19 units (NIL) - ICICI Prudential Gil   | 79.22                              | -                                  |
|   | 89,600.40 units (NIL) - Kotak Gilt Investment  | 78.99                              | -                                  |
|   | 3,919.59 units (NIL) - HDFC Flexi Cap Fund   | 62.94                              | -                                  |
|   | 11,405.77 units (NIL) - SBI Large & Midcap Fund  | 58.60                              | -                                  |
|   | 54EC Bonds   | 50.00                              | -                                  |
|   | Total  | 609.56                             | 238.33                             |
|   | Market value of Quoted Investments   | 605.13                             | 233.90                             |
|   | Aggregate amount of Unquoted Investments   | 4.43                               | 4.43                               |
| 4 | Other Financial Assets<br>(Unsecured & considered good)  | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|   | Other Deposits   | 2.48                               | 2.49                               |
|   | Gratuity Deposit   | 57.57                              | 57.80                              |
|   | Total  | 60.05                              | 60.30                              |
| 5 | Deferred Tax   | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|   | Property, Plant and Equipment  | (3.20)                             | (9.32)                             |
|   | Fair Value of Investments  | 27.73                              | 20.62                              |
|   | Expenses disallowed under Sec 43B  | -                                  | 2.80                               |
|   | Minimum Alternate Tax  | 72.70                              | 72.70                              |
|   | Provision for Doubtful Debts   | 1.97                               | 2.34                               |
|   | Total  | 99.21                              | 89.14                              |
| 6 | Income Tax Assets (Net)  | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|   | Income Tax (Net of Provisions)   | 27.31                              | 20.56                              |
|   | Total  | 27.31                              | 20.56                              |
| 7 | Inventories<br>(At lower of cost & net realisable value)   | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|   | Raw Material   | 4.62                               | 6.56                               |
|   | Packing Material   | 0.32                               | 2.66                               |
|   | Finished Goods   | 0.52                               | 7.34                               |
|   | Total  | 5.46                               | 16.57                              |



| 8  | <b>Current Investments</b>  | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|----|---|------------------------------------|------------------------------------|
|    | <u>Investments In Mutual Funds - Quoted</u><br>(at Fair Value through Profit or Loss) |                                    |                                    |
|    | 21,739.866 (21,739.866) Units Kotak Standard<br>Multicap Fund-Growth                  | 15.53                              | 11.53                              |
|    | 15,355.071 (15,355.071) Units Mirae Asset India<br>Equity Fund Fund-Regular Growth    | 14.81                              | 11.77                              |
|    | 18,393.226 (18,393.226) Units SBI Blue Chip Fund-<br>Regular Growth                   | 14.71                              | 11.36                              |
|    | <b>Total</b>  | <b>45.05</b>                       | <b>34.65</b>                       |
|    | Market value of Quoted Investments  | 45.05                              | 34.65                              |
| 9  | <b>Trade Receivables</b>  | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|    | a) Considered good - Secured  | -                                  | -                                  |
|    | b) Considered good -Unsecured   | 3.69                               | 134.87                             |
|    | c) Trade receivables -Significant risk  | 7.09                               | 8.41                               |
|    | d) Trade receivables -credit impaired   | -                                  | -                                  |
|    |   | 10.78                              | 143.28                             |
|    | Less : Trade receivables -Significant risk  | (7.09)                             | -8.41                              |
|    | <b>Total</b>  | <b>3.69</b>                        | <b>134.87</b>                      |
| a  | For Related party transactions Refer Note 35  |                                    |                                    |
| 10 | <b>Cash And Cash Equivalents</b>  | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|    | <b>Balances with Bank</b>   |                                    |                                    |
|    | In Current Accounts   | 4.29                               | 20.87                              |
|    | Cash on hand  | -                                  | 0.05                               |
|    | <b>Total</b>  | <b>4.29</b>                        | <b>20.92</b>                       |
| 11 | <b>Other Bank Balances</b>  | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|    | Margin money (Including deposits with original<br>maturity of more than 3 months)     | 5.00                               | 5.00                               |
|    | <b>Total</b>  | <b>5.00</b>                        | <b>5.00</b>                        |
| 12 | <b>Loans</b><br>(Unsecured & considered good)   | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|    | Loans and advances to Related parties   | 217.00                             | 76.00                              |
|    | <b>Total</b>  | <b>217.00</b>                      | <b>76.00</b>                       |
| 13 | <b>Current Tax Assets (Net)</b>   | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|    | Income Tax  | 13.23                              | (6.74)                             |
|    | <b>Total</b>  | <b>13.23</b>                       | <b>(6.74)</b>                      |
| 14 | <b>Other Current Assets</b>   | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|    | GST Receivable (net)  |                                    | 4.47                               |
|    | Interest Accrued  | 1.77                               | 0.01                               |
|    | Prepaid expenses  | 0.69                               | 0.84                               |
|    | Gratuity Deposit  | 5.16                               | 5.77                               |
|    | Other Assets  | 2.02                               |                                    |
|    | <b>Total</b>  | <b>9.64</b>                        | <b>11.09</b>                       |



| 15 | Non Current Assets Held for sale | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|----|----------------------------------|------------------------------------|------------------------------------|
|    | Held for Sale                    | -                                  | 64.57                              |
|    |                                  | -                                  | 64.57                              |

| 16 | Share Capital  | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|----|--|------------------------------------|------------------------------------|
|    | <b>Authorised</b>  |                                    |                                    |
|    | (5,000) Equity Shares of Rs.100/- each                           | 5.00                               | 5.00                               |
|    | (4,950) Unclassified Shares of Rs.100/- each                     | 4.95                               | 4.95                               |
|    | (9.50% )Cumulative Redeemable Preference Shares of Rs.100/- each | 0.05                               | 0.05                               |
|    | <b>Total</b>   | <b>10.00</b>                       | <b>10.00</b>                       |

|  |   |             |             |
|--|---|-------------|-------------|
|  | <b>Issued, Subscribed and Paid up</b>   |             |             |
|  | 4,000 Equity Shares of Rs.100/- each fully paid up                                    | 4.00        | 4.00        |
|  | (All the 4,000 Equity Shares are held by Chembond Chemicals Ltd, the holding Company) |             |             |
|  | <b>Total</b>  | <b>4.00</b> | <b>4.00</b> |

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

| Name of the Shareholder                           | As at 31/03/2024<br>No of Shares | As at 31/03/2023<br>No of Shares |
|---|----------------------------------|----------------------------------|
| Chembond Chemicals Limited & its nominees<br>100% | 4,000                            | 4,000                            |

Shareholding of Chembond Chemicals Limited includes 6 shares held by individuals as nominees of the Company.

**b Reconciliation of the equity shares outstanding at the beginning and at the end of reporting period**

|  | As at 31/03/2024<br>No of Shares | As at 31/03/2023<br>No of Shares |
|--|----------------------------------|----------------------------------|
| Number of Share outstanding at the beginning of the year | 4,000                            | 4,000                            |
| Additions during the year                                | -                                | -                                |
| Deduction during the year                                | -                                | -                                |
| Number of Share outstanding at the end of the year       | 4,000                            | 4,000                            |

**c Terms/Rights attached to Equity Shares**

The Company has only one class of Equity Shares having a par value of Rs. 100/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d Details of shareholding of Promoters**

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

Shares held by promoters at the end of the period

| S.No | Promoter Name                       | No of shares | % of Total | % change during the year |
|------|-------------------------------------|--------------|------------|--------------------------|
| 1    | Chembond Chemicals Limited          | 3994         | 99.85      |                          |
| 2    | Sameer V. Shah Jtly Shilpa S. Shah* | 1            | 0.025      |                          |
| 3    | Nirmal V. Shah Jtly Mamta N. Shah*  | 1            | 0.025      |                          |
| 4    | Mamta N. Shah Jtly Nirmal V. Shah*  | 1            | 0.025      | No Change                |
| 5    | Shilpa S. Shah Jtly Sameer V. Shah* | 1            | 0.025      |                          |
| 6    | Finor Piplaj Chemicals Limited*     | 1            | 0.025      |                          |
| 7    | Padma V. Shah*                      | 1            | 0.025      |                          |

\*Shareholding of Chembond Chemicals Limited includes 6 shares held by individuals as nominees of the Company.

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

Shares held by promoters at the end of the year

| S.No | Promoter Name                       | No of shares** | % of Total ** | % change during the year*** |
|------|-------------------------------------|----------------|---------------|-----------------------------|
| 1    | Chembond Chemicals Limited          | 3994           | 99.85         |                             |
| 2    | Sameer V. Shah Jtly Shilpa S. Shah* | 1              | 0.025         |                             |
| 3    | Nirmal V. Shah Jtly Mamta N. Shah*  | 1              | 0.025         |                             |
| 4    | Mamta N. Shah Jtly Nirmal V. Shah*  | 1              | 0.025         | No Change                   |
| 5    | Shilpa S. Shah Jtly Sameer V. Shah* | 1              | 0.025         |                             |
| 6    | Finor Piplaj Chemicals Limited*     | 1              | 0.025         |                             |
| 7    | Padma V. Shah*                      | 1              | 0.025         |                             |

\*Shareholding of Chembond Chemicals Limited includes 6 shares held by individuals as nominees of the Company.



| 17 | Other Equity   | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|----|--|------------------------------------|------------------------------------|
|    | <b>Capital Redemption Reserve</b>                            |                                    |                                    |
|    | Opening Balance  | 0.05                               | 0.05                               |
|    | Closing Balance  | 0.05                               | 0.05                               |
|    | <b>General Reserve</b>                                       |                                    |                                    |
|    | As per last year   | 514.40                             | 514.40                             |
|    | Add: Transfer from Profit & Loss A/c.                        | -                                  | -                                  |
|    |  | 514.40                             | 514.40                             |
|    | <b>Retained Earnings</b>                                     |                                    |                                    |
|    | As per last year   | (46.95)                            | 280.69                             |
|    | Add: Profit for the Year                                     | 481.31                             | (334.48)                           |
|    | Add: Excess Provision related to Previous years written back | -                                  | -                                  |
|    |  | 434.37                             | (53.78)                            |
|    | Less: Appropriations   |                                    |                                    |
|    | Other Comprehensive Income                                   | (0.25)                             | 6.83                               |
|    | Tax on Interim Dividend                                      | -                                  | -                                  |
|    | Previous Year Dividend                                       | -                                  | -                                  |
|    | Tax on previous Year Dividend                                | -                                  | -                                  |
|    |  | 434.13                             | (46.95)                            |
|    | Total  | 948.58                             | 467.50                             |
|    |  |                                    |                                    |
| 18 | Borrowings   | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|    | <b>Unsecured</b>   |                                    |                                    |
|    | Loan Received From Chembond Chemicals Ltd                    | -                                  | 90.00                              |
|    | Total  | -                                  | 90.00                              |
|    |  |                                    |                                    |
| 19 | Trade Payables   | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|    | Micro, Small and Medium Enterprises                          | 0.00                               | 17.64                              |
|    | Others   | 20.56                              | 109.08                             |
|    | Total  | 20.56                              | 126.72                             |

a For Related party transaction Refer Note No.35

b The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at the period end. The disclosure pursuant to the said Act is as under..

|   | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|---|------------------------------------|------------------------------------|
| Principal amount due to suppliers under MSMED Act, 2006   | 0.00                               | 17.64                              |
| Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount                   | 0.00                               | 0.06                               |
| Payment made to suppliers (other than interest) beyond the appointed day, during the period       | -                                  | -                                  |
| Interest paid/adjusted to suppliers under MSMED Act, 2006 (other than section 16)                 | -                                  | -                                  |
| Interest paid/adjusted to suppliers under MSMED Act, 2006 (Section 16)                            | -                                  | -                                  |
| Interest due and payable to suppliers under MSMED Act, 2006 for payments already made             | -                                  | -                                  |
| Interest accrued and remaining unpaid at the end of the period to suppliers under MSMED Act, 2006 | -                                  | -                                  |

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





|           |  |                                    |                                    |
|-----------|--|------------------------------------|------------------------------------|
| <b>20</b> | <b>Other Current Liabilities</b>   | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|           | Statutory Dues   | 116.35                             | 2.05                               |
|           | Other payable  | -                                  | 23.01                              |
|           | <b>Total</b>   | <b>116.35</b>                      | <b>25.06</b>                       |
| <b>21</b> | <b>Provisions (Current)</b>  | As at 31/03/2024<br>(Rs. In lakhs) | As at 31/03/2023<br>(Rs. In lakhs) |
|           | Provision for Employees Benefits   | 24.62                              | 85.77                              |
|           | <b>Total</b>   | <b>24.62</b>                       | <b>85.77</b>                       |
| <b>22</b> | <b>Revenue From Operations</b>   | 2023-24<br>(Rs. In lakhs)          | 2022-23<br>(Rs. In lakhs)          |
|           | Sales  | 87.02                              | 441.64                             |
|           | Other Operating revenue  | 1.84                               | 0.01                               |
|           | <b>Total</b>   | <b>88.87</b>                       | <b>441.64</b>                      |
| <b>23</b> | <b>Other Income</b>  | 2023-24<br>(Rs. In lakhs)          | 2022-23<br>(Rs. In lakhs)          |
|           | Dividend from Equity Investments   | 4.74                               | 6.50                               |
|           | Net gain on Sale/fair valuation of investments through profit & loss *           | 4.74                               | 6.50                               |
|           | Gross Interest from Bank TDS Rs.0.03lakhs (Rs.0.08lakhs)                         | 52.63                              | -                                  |
|           | Net Gain on Sale of Fixed Assets   | 2.06                               | 0.89                               |
|           | Management Consultancy fees Received TDS Rs.3.00lakhs (Rs.5.72lakhs)             | 524.72                             | 0.62                               |
|           | Gross Interest from Intercompany Deposit TDS Rs.1.77lakhs (Rs.0.03lakhs)         | 30.00                              | 57.24                              |
|           | Discount Allowed   | 17.71                              | 0.30                               |
|           |  | 0.05                               | 0.53                               |
|           | <b>Total</b>   | <b>631.91</b>                      | <b>67.37</b>                       |
|           | For Related party transaction Refer Note No.35                                   |                                    |                                    |
| <b>24</b> | <b>Cost Of Materials Consumed</b>  | 2023-24<br>(Rs. In lakhs)          | 2022-23<br>(Rs. In lakhs)          |
|           | <b>Raw Material Consumed</b>   |                                    |                                    |
|           | Purchases  | 38.86                              | 387.90                             |
|           | Packing Material Consumed  | 5.04                               | 27.49                              |
|           | <b>Total</b>   | <b>43.90</b>                       | <b>415.39</b>                      |
| <b>25</b> | <b>Changes In Inventory Of Finished Goods, Work In Progress And Traded Goods</b> | 2023-24<br>(Rs. In lakhs)          | 2022-23<br>(Rs. In lakhs)          |
|           | a) Finished products/ Stock in Trade (At Close)                                  |                                    |                                    |
|           | Finished products  | 0.50                               | 4.99                               |
|           | Semifinished products  | 0.02                               | 0.09                               |
|           | Stock in Transit   | -                                  | 2.27                               |
|           | b) Finished products/ Stock in Trade (At commencement)                           |                                    |                                    |
|           | Finished products  | 4.99                               | 13.49                              |
|           | Semifinished products  | 0.09                               | 8.59                               |
|           | Trading goods  | 0.00                               | 0.03                               |
|           | Stock in Transit   | 2.27                               | 0.00                               |
|           | <b>Total</b>   | <b>6.83</b>                        | <b>14.77</b>                       |
| <b>26</b> | <b>Employee Benefit Expenses</b>   | 2023-24<br>(Rs. In lakhs)          | 2022-23<br>(Rs. In lakhs)          |
|           | Salaries & Wages   | 19.16                              | 236.17                             |
|           | Contribution to Provident & other funds  | 14.39                              | 22.50                              |
|           | Staff Welfare Expenses   | 9.18                               | 13.43                              |
|           | <b>Total</b>   | <b>42.73</b>                       | <b>272.09</b>                      |

- a For Related party transaction Refer Note No.35  
b The Company's obligation towards the Gratuity Fund is a Defined Benefit Plan.  
Details of actuarial Valuation are as follows:



| Particulars   | 2023-24        | 2022-23        |
|---|----------------|----------------|
|   | (Rs. In lakhs) | (Rs. In lakhs) |
| Opening defined benefit obligation  | 65.21          | 67.86          |
| Current service cost  | 5.35           | 6.17           |
| Interest on defined benefit obligation<br>(Benefits paid)   | 5.01<br>(8.17) | 4.72<br>(5.24) |
| Actuarial loss / (gain) arising from change in financial assumptions  | -              | -              |
| Actuarial loss / (gain) arising from changes in demographic assumptions   | -              | -              |
| Actuarial loss / (gain) arising on account of experience changes  | (3.50)         | (8.29)         |
| Closing defined benefit obligation  | <b>63.90</b>   | <b>65.21</b>   |
| <b>Changes in the fair value of assets in case of Gratuity representing reconciliation of opening and closing balances thereof:</b> |                |                |
| Opening fair value of plan assets   | 128.78         | 126.76         |
| Employer contributions  | -              | -              |
| Interest on plan assets   | 9.77           | 8.72           |
| Actual return on plan assets less interest on plan assets   | (3.75)         | (1.46)         |
| Benefit paid  | (8.17)         | (5.24)         |
| Closing fair value of plan assets   | <b>126.63</b>  | <b>128.78</b>  |
| <b>Actuarial assumption:</b>  |                |                |
| Discount rate   | 7.30%          | 7.50%          |
| Salary escalation   | 7.00%          | 7.00%          |
| <b>Profit &amp; Loss Account Expense</b>  |                |                |
| Current service cost  | 5.35           | 6.17           |
| Interest on net defined benefit liability / (assets)<br>(Gains) / losses on settlement  | (4.77)         | (4.01)         |
| Closing fair value of plan assets   | <b>0.59</b>    | <b>2.16</b>    |
| <b>Reconciliation of Net Liability / Asset</b>  |                |                |
| Opening net defined benefit liability / (asset)   | (63.56)        | (58.90)        |
| Expense charged to profit & loss account  | 0.59           | 2.16           |
| Amount recognized outside profit & loss account   | 0.25           | (6.83)         |
| Employer contributions  | -              | -              |
| Closing fair value of plan assets   | <b>(62.73)</b> | <b>(63.56)</b> |
| <b>Movement in Benefit Obligations</b>  |                |                |
| Opening net defined benefit obligation  | 344.20         | 341.60         |
| Current Service Cost  | 5.35           | 6.17           |
| Interest on defined benefit obligation  | 5.01           | 4.72           |
| Remeasurements due to :   |                |                |
| Actuarial loss / (gain) arising from change in financial assumptions  | -              | -              |
| Actuarial loss / (gain) arising from changes in demographic assumptions   | -              | -              |
| Actuarial loss / (gain) arising on account of experience changes  | (3.50)         | (8.29)         |
| Benefit paid  |                |                |
| Closing fair value of plan assets   | <b>351.06</b>  | <b>344.20</b>  |

#### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

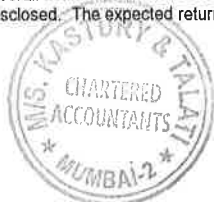
|   | As at 31st March 2024 |          | As at 31st March 2023 |          |
|---|-----------------------|----------|-----------------------|----------|
|   | Increase              | Decrease | Increase              | Decrease |
| Discount rate (1% movement) - Gratuity        | (7.30)                | 8.00     | (8.00)                | 8.90     |
| Future salary growth (1% movement) - Gratuity | 8.00                  | (7.40)   | 8.90                  | (8.10)   |

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

#### Expected future cash flows

| The expected maturity analysis is as follows : | For year ended | For year ended |
|--|----------------|----------------|
|  | 31.03.2024     | 31.3.2023      |
| Expected benefits for year 1                   | 0.95           | 0.94           |
| Expected benefits for year 2                   | 1.05           | 1.04           |
| Expected benefits for year 3                   | 1.14           | 1.15           |
| Expected benefits for year 4                   | 5.59           | 1.26           |
| Expected benefits for year 5                   | 6.44           | 5.47           |
| Expected benefits for year 6 and above         | 61.74          | 59.65          |

The Management has relied on the overall actuarial valuation conducted by the actuary. However experience adjustments on plan liabilities and assets are not readily available and hence not disclosed. The expected return on plan assets is as furnished by the Actuary appointed by the Company.



|           |  | 2023-24        | 2022-23        |
|-----------|--|----------------|----------------|
|           |  | (Rs. In lakhs) | (Rs. In lakhs) |
| <b>27</b> | <b>Finance Cost</b>  |                |                |
|           | Interest Expense   |                |                |
|           | - MSME   | -              | 0.06           |
|           | - Others   | 3.75           | 8.16           |
|           | <b>Total</b>   | <b>3.75</b>    | <b>8.22</b>    |
| <b>28</b> | <b>Depreciation And Amortisation Expenses</b>                              |                |                |
|           | Depreciation and Amortisation Expenses                                     | 5.61           | 6.22           |
|           | <b>Total</b>   | <b>5.61</b>    | <b>6.22</b>    |
| <b>29</b> | <b>Other Expenses</b>  |                |                |
|           | <b>Manufacturing Expenses</b>  |                |                |
|           | Power, Fuel & Water Charges  | 1.03           | 3.45           |
|           | Godown Rent  | 7.08           | 8.33           |
|           | Labour Charges   | 3.03           | 5.66           |
|           | Factory Maintenance  | 5.17           | 13.35          |
|           | <b>A</b>   | <b>16.31</b>   | <b>30.79</b>   |
|           | <b>Administrative Expenses</b>   |                |                |
|           | Director's Sitting Fees  | 0.50           | 0.30           |
|           | Rates & Taxes  | 0.36           | 4.62           |
|           | Electricity charges  | 0.23           | 1.71           |
|           | Printing and stationary  | 0.04           | 0.13           |
|           | Telephone & Postage Expenses   | 1.02           | 1.51           |
|           | Insurance  | 1.39           | 2.98           |
|           | Motor car expenses   | 1.94           | 3.48           |
|           | Auditors Remuneration  | 5.54           | 3.68           |
|           | Legal, Professional & consultancy fees                                     | 6.38           | 7.92           |
|           | Repairs & Maintenance Others   | 1.06           | 5.36           |
|           | Carriage & Freight   | 0.15           | 4.06           |
|           | Miscellaneous expenses   | 0.07           | 1.70           |
|           | Fair value of Investments  | -              | 4.54           |
|           | Reimbursement of expenses  | 0.08           | 25.17          |
|           | Input GST Disallowed   | -              | 0.04           |
|           | Bad Debts Written Off  | -              | 1.01           |
|           | <b>B</b>   | <b>18.63</b>   | <b>64.83</b>   |
|           | <b>Selling And Distribution Expenses</b>                                   |                |                |
|           | Rent   | -              | -              |
|           | Travelling Expenses  | 12.51          | 7.81           |
|           | Conveyance expenses  | 7.95           | 4.61           |
|           | <b>C</b>   | <b>20.47</b>   | <b>12.42</b>   |
|           | <b>(A+B+C)</b>   | <b>55.40</b>   | <b>108.03</b>  |
| <b>a</b>  | <b>Auditor's Remuneration consists of:</b>                                 |                |                |
|           | Statutory Audit Fees   | 3.34           | 3.04           |
|           | Taxation and Other Matters   | 0.71           | 0.64           |
|           | <b>Total</b>   | <b>4.05</b>    | <b>3.68</b>    |
| <b>b</b>  | For Related party transaction Refer Note No.35                             |                |                |
| <b>30</b> | <b>Earnings Per Share</b>  |                |                |
|           | Net Profit available to Equity Shareholders (Rs. In Lakhs)                 | 481.31         | (334.48)       |
|           | Total number of Equity Shares (Face value of Rs. 100/- each fully paid up) | 4,000          | 4,000          |
|           | Weighted No. of Equity Shares  | 4,000          | 4,000          |
|           | Basic Earnings per Share (in Rupees)                                       | 12,032.77      | (8,362.01)     |
|           | Diluted No. of Equity Shares   | 4,000          | 4,000          |
|           | Diluted Earnings per Share (in Rupees)                                     | 12,032.77      | (8,362.01)     |



**31 Ageing Schedule for Trade Payables**

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

(Rs.in lakhs)

| Particulars                | Outstanding for following periods from due date of payments |                |         |         |                 | Total        |
|----------------------------|---|----------------|---------|---------|-----------------|--------------|
|                            | Not Due   | Less than 1 yr | 1-2 Yrs | 2-3 Yrs | More than 3 Yrs |              |
| I) MSME                    |   |                |         |         |                 | 0.00         |
| II) Others                 | 0.42  | 17.50          | 0.03    | 0.40    | 2.21            | 20.56        |
| III) Disputed dues - MSME  |   |                |         |         |                 | -            |
| IV) Disputed dues - Others |   |                |         |         |                 | -            |
| Accrued expenses           |   |                |         |         |                 |              |
| <b>Net trade payables</b>  |   |                |         |         |                 | <b>20.56</b> |

Ageing for trade Payables outstanding as on 31st March 23 is as follows :

(Rs.in lakhs)

| Particulars                | Outstanding for following periods from due date of payments |                |         |         |                 | Total         |
|----------------------------|---|----------------|---------|---------|-----------------|---------------|
|                            | Not Due   | Less than 1 yr | 1-2 Yrs | 2-3 Yrs | More than 3 Yrs |               |
| I) MSME                    | 7.06  | 10.58          |         |         |                 | 17.64         |
| II) Others                 | 77.33   | 28.37          | 0.60    | 0.95    | 1.82            | 109.08        |
| III) Disputed dues - MSME  |   |                |         |         |                 | -             |
| IV) Disputed dues - Others |   |                |         |         |                 | -             |
| Accrued expenses           |   |                |         |         |                 |               |
| <b>Net trade payables</b>  |   |                |         |         |                 | <b>126.72</b> |

**32 Ageing Schedule for Trade receivables**

Ageing for trade receivables outstanding as on 31st March 24 is as follows :

| Particulars   | Outstanding for following periods from due date of payments |                    |                 |           |           |                   | Total       |
|---|---|--------------------|-----------------|-----------|-----------|-------------------|-------------|
|   | Not Due   | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years |             |
| i) Undisputed trade receivables – considered goods                                | 4.44  | 7.78               | (4.17)          | (0.87)    | (3.49)    | 7.09              | 10.78       |
| 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                                   |   |                    |                 |           |           |                   | 7.09        |
| <b>Trade receivables</b>  |   |                    |                 |           |           |                   | <b>3.69</b> |



**Ageing for trade receivables outstanding as on 31st March 23 is as follows :**

| Particulars   | Outstanding for following periods from due date of payments |                    |                 |           |           |                   | Total         |
|---|---|--------------------|-----------------|-----------|-----------|-------------------|---------------|
|   | Not Due   | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years |               |
| i) Undisputed trade receivables – considered goods                                | 132.36  | 5.50               | (3.88)          | (3.23)    | 0.41      | 12.12             | 143.28        |
| 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                                   |   |                    |                 |           |           |                   | 8.41          |
| <b>Trade receivables</b>  |   |                    |                 |           |           |                   | <b>134.87</b> |

**33 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013**

- i The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii The Company do not have any transactions with struck off companies under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956
- iii The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- iv The Company has complied with the requirement with respect to number of layers as prescribed under Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- v Utilisation of borrowed funds and share premium
- I 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 :
- (a) 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
- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- II 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 Company shall :
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- vi There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- vii The Company has not traded or invested in crypto currency or virtual currency during the year.
- viii The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.



### 34 Disclosure of Ratios :

|   | Ratios  | As at March<br>31/03/2024 | As at March<br>31/03/2023 |
|---|---|---------------------------|---------------------------|
| a | Current Ratio   |                           |                           |
|   | = Current Assets/Current Liabilities  | 1.88                      | 1.13                      |
| b | Debt Equity Ratio   |                           |                           |
|   | = (Short Term Debt+Long Term Debt+Other Fixed Payments)/ Shareholder's Equity | 0.00                      | 0.19                      |
| c | Debt Service Coverage Ratio   | 0.00                      | 5.82                      |
|   | = Net Operating Income/ Debt Service  |                           |                           |
| d | Return on Equity Ratio  |                           |                           |
|   | = Net Income/ Shareholders Equity   | 0.59                      | (0.67)                    |
| e | Inventory Turnover Ratio  |                           |                           |
|   | = Cost of Goods Sold/ Average Inventory                                       | 4.61                      | 11.13                     |
| f | Trade Receivables Turnover Ratio  |                           |                           |
|   | = Net Credit sales/ Average Accounts Receivable                               | 1.28                      | 4.62                      |
| g | Trade Payable Turnover Ratio  |                           |                           |
|   | = Credit Purchases/ Average Accounts Payable                                  | 0.54                      | 2.97                      |
| h | Net Capital Turnover Ratio  |                           |                           |
|   | = Net Sales/ Working Capital  | 0.63                      | 10.31                     |
| i | Net Profit Ratio  |                           |                           |
|   | = Net Profit/ Net Sales   | 5.42                      | (0.76)                    |
| j | Return on Capital Employed  |                           |                           |
|   | = Earnings Before Interest and Tax/ Capital Employed                          | 141.58                    | (76.87)                   |
| k | Return on Investment  |                           |                           |
|   | = Net Return on Investment/ Cost of Investment                                | (1.05)                    | 0.00                      |



**Phiroze Sethna Private Limited**

**Note 35:**

**Related Party Disclosures, as required by Ind AS 24, "Relates Party Disclosures", are given below :**

**a) Relationship:**

**i. Holding Company :**

Chembond Chemicals Limited

**ii. Subsidiary Company :**

Gramos Chemicals India Private Limited

**iii. Associate and Fellow Subsidiary Companies :**

Chembond Material Technologies Private Limited

Chembond Biosciences Limited

Chembond Water Technologies Limited

Chembond Calvatis Industrial Hygiene Systems Limited

Chembond Distribution Limited

**iv. Key Management Personnel and their relatives (KMP)**

**Key Management Personnel :**

Mr. Sameer V Shah

Mr. Nirmal V Shah

Mrs. Rashmi Gavli

Mr. Mahendra Ghelani

Mr. Sharad Wagle

Mr. Aspi Godrej

Mrs. Parviz Batliwala

**Relatives :**

Padma V Shah, Dr. Shilpa S. Shah, Raunaq Shah, Amrita S Shah, Shashank (Amrita Husband), Malika S Shah, Mamta N. Shah, Alpana S. Shah, Jyoti Mehta, Rahil Shah, Kshitija Shah, Sameer L. Gavli, Sunita L. Gavli, Rati M. Tipnis, Nupur S. Gavli, Tushar M. Tipnis, Yogita Tushar Tipnis, Prashant L. Gavli, Pallavi S. Wakaskar, Mina Ghelani, Kalyanji Ghelani, Kanta Ghelani, Jayant / Madhusudan, Rekha / Sudha,

**Entities over which Key Management Personnel are able to exercise influence :**

Balu Investments Services Private Limited

Bullows India Private Limited

CCL Opto Electronics Private Limited

Finor Piplaj Chemicals Limited

S and N Ventures Private Limited

Visan Holdings and Financial Services Private Limited

Chembond Clean Water Technologies Limited

The following transactions were carried out with related parties in the ordinary course of business :

Rs in Lakhs

| For the year ended as on               | 31.03.2024 |            |                                     |     | 31.03.2023 |            |                                     |      |
|--|------------|------------|-------------------------------------|-----|------------|------------|-------------------------------------|------|
|  | Holding    | Subsidiary | Associates/<br>Fellow<br>Subsidiary | KMP | Holding    | Subsidiary | Associates/<br>Fellow<br>Subsidiary | KMP  |
| <b>Sale of Goods</b>                   |            |            |                                     |     |            |            |                                     |      |
| Chembond Chemicals Limited             | -          |            |                                     |     | 0.03       |            |                                     |      |
| Gramos Chemicals India Private Limited |            | 2.11       |                                     |     |            | 1.94       |                                     |      |
| Chembond Material Technologies Pvt Ltd |            |            | 61.53                               |     |            |            | 338.81                              |      |
| <b>Sales Of Fixed Assets</b>           |            |            |                                     |     |            |            |                                     |      |
| Chembond Chemicals Limited             |            |            |                                     |     | 2.09       |            |                                     |      |
| Chembond Material Technologies Pvt Ltd |            |            |                                     |     |            |            | 0.24                                |      |
| Gramos Chemicals India Private Limited |            |            |                                     |     |            | 12.61      |                                     |      |
| Chembond Bioscience Ltd                |            |            |                                     |     |            |            | 0.50                                |      |
| Finor Piplaj Chemicals Ltd             |            |            |                                     |     |            |            |                                     | 0.02 |
| <b>Sales Of Consumbales</b>            |            |            |                                     |     |            |            |                                     |      |
| Chembond Chemicals Limited             |            |            |                                     |     | 0.22       |            |                                     |      |
| Gramos Chemicals India Private Limited |            |            |                                     |     |            | 0.39       |                                     |      |
| Chembond Bioscience Ltd                |            |            |                                     |     |            | 0.55       |                                     |      |
| <b>Managment Fees Received</b>         |            |            |                                     |     |            |            |                                     |      |
| Gramos Chemicals India Private Limited |            | 30.00      |                                     |     |            | 57.24      |                                     |      |
| <b>Rent Paid</b>                       |            |            |                                     |     |            |            |                                     |      |
| Chembond Chemicals Limited             | 0.24       |            |                                     |     | 0.11       |            |                                     |      |
| Gramos Chemicals India Private Limited |            | 6.60       |                                     |     |            | 6.60       |                                     |      |
| <b>Telephone Expenses</b>              |            |            |                                     |     |            |            |                                     |      |
| Chembond Chemicals Limited             |            |            |                                     |     | 0.35       |            |                                     |      |
| Chembond Material Technologies Pvt Ltd |            |            | 0.25                                |     |            |            | 0.29                                |      |
| <b>Chargeout Expenses</b>              |            |            |                                     |     |            |            |                                     |      |
| Chembond Material Technologies Pvt Ltd |            |            | 101.38                              |     |            |            | 85.49                               |      |
| <b>Comuter Expenses</b>                |            |            |                                     |     |            |            |                                     |      |
| Chembond Chemicals Limited             | 0.08       |            |                                     |     | 0.30       |            |                                     |      |



Phiroze Sethna Private Limited

Note 35: (continued)

Related Party Disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below :

Rs in Lakhs

| For the year ended as on                 | 31.03.2024 |            |                                     |      | 31.03.2023 |            |                                     |      |
|--|------------|------------|-------------------------------------|------|------------|------------|-------------------------------------|------|
|  | Holding    | Subsidiary | Associates/<br>Fellow<br>Subsidiary | KMP  | Holding    | Subsidiary | Associates/<br>Fellow<br>Subsidiary | KMP  |
| <b>Reimbursement Expense</b>             |            |            |                                     |      |            |            |                                     |      |
| Chembond Chemicals Limited               | 1.09       |            |                                     |      | 1.79       |            |                                     |      |
| Chembond Material Technologies Pvt Ltd   |            |            |                                     |      |            |            | 0.28                                |      |
| <b>Salary Cost Reimbursement Expense</b> |            |            |                                     |      |            |            |                                     |      |
| Chembond Chemicals Limited               |            |            |                                     |      | 12.67      |            |                                     |      |
| Chembond Material Technologies Pvt Ltd   |            |            |                                     |      |            |            | 102.83                              |      |
| <b>Purchase of Goods</b>                 |            |            |                                     |      |            |            |                                     |      |
| Gramos Chemicals India Private Limited   |            |            |                                     |      |            | 0.11       |                                     |      |
| Chembond Material Technologies Pvt Ltd   |            |            | 11.86                               |      |            |            | 89.55                               |      |
| <b>Interest Expense</b>                  |            |            |                                     |      |            |            |                                     |      |
| Chembond Chemicals Limited               | 3.75       |            |                                     |      | 8.10       |            |                                     |      |
| <b>Interest Income</b>                   |            |            |                                     |      |            |            |                                     |      |
| Gramos Chemicals India Private Limited   |            | 17.71      |                                     |      |            | 0.30       |                                     |      |
| <b>Loan Taken</b>                        |            |            |                                     |      |            |            |                                     |      |
| Chembond Chemicals Limited               | 80.00      |            |                                     |      | 90.00      |            |                                     |      |
| <b>Loan Repayment</b>                    |            |            |                                     |      |            |            |                                     |      |
| Chembond Chemicals Limited               | 170.00     |            |                                     |      |            |            |                                     |      |
| Gramos Chemicals India Private Limited   |            | 9.00       |                                     |      |            |            |                                     |      |
| <b>Loan Given</b>                        |            |            |                                     |      |            |            |                                     |      |
| Gramos Chemicals India Private Limited   |            | 150.00     |                                     |      |            | 76.00      |                                     |      |
| <b>Balance at the end of the year</b>    |            |            |                                     |      |            |            |                                     |      |
| <b>A.Trade Receivables</b>               |            |            |                                     |      |            |            |                                     |      |
| Gramos Chemicals India Private Limited   |            | 6.71       |                                     |      |            | 30.35      |                                     |      |
| Chembond Material Technologies Pvt Ltd   |            |            |                                     |      |            |            | 91.20                               |      |
| Chembond Bioscience Ltd                  |            |            |                                     |      |            | 1.24       |                                     |      |
| Finor Piplaj Chemicals Ltd               |            |            |                                     |      |            |            |                                     | 0.02 |
| <b>B.Trade Payables</b>                  |            |            |                                     |      |            |            |                                     |      |
| Chembond Chemicals Limited               | 3.80       |            |                                     |      | 70.76      |            |                                     |      |
| Chembond Material Technologies Pvt Ltd   |            |            | 9.75                                |      |            |            |                                     |      |
| <b>C.Directors Sitting Fees</b>          |            |            |                                     |      |            |            |                                     |      |
| Mr.Mahendra Ghelani                      |            |            |                                     | 0.50 |            |            |                                     | 0.3  |
| <b>D.Directors Consultancy</b>           |            |            |                                     |      |            |            |                                     |      |
| Mr.S.K.Wagle                             |            |            |                                     |      |            |            |                                     | 4.00 |
| Mr.A.P.Godrej                            |            |            |                                     |      |            |            |                                     | 3.57 |
| <b>E.Loan</b>                            |            |            |                                     |      |            |            |                                     |      |
| Gramos Chemicals India Private Limited   |            | 217.00     |                                     |      |            |            |                                     |      |





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.

(Rs in Lakhs)

|   | As at 31 March 2024                |   |                |               |               |          |          |               |
|---|------------------------------------|---|----------------|---------------|---------------|----------|----------|---------------|
|   | Carrying amount                    |   |                |               | Fair value    |          |          |               |
|   | Fair value through profit and loss | Fair value through other comprehensive income | Amortised Cost | Total         | Level 1       | Level 2  | Level 3  | Total         |
| <b>Financial assets</b>   |                                    |   |                |               |               |          |          |               |
| Cash and cash equivalents (Including other bank balances)                 |                                    |   | 9.29           | 9.29          |               |          |          | -             |
| Investments   |                                    |   |                |               |               |          |          |               |
| - Mutual Funds  | 45.05                              |   |                | 45.05         | 45.05         |          |          | 45.05         |
| - Equity Shares (Quoted)  | 605.13                             |   |                | 605.13        | 605.13        |          |          | 605.13        |
| - Equity Shares (Unquoted)  |                                    |   | 4.43           | 4.43          |               |          |          | -             |
| Trade and other receivables   |                                    |   | 3.69           | 3.69          |               |          |          | -             |
| Loans   |                                    |   | 217.00         | 217.00        |               |          |          | -             |
| Other financial assets  |                                    |   | 60.05          | 60.05         |               |          |          | -             |
| <b>TOTAL</b>  | <b>650.18</b>                      | <b>-</b>                                      | <b>294.47</b>  | <b>944.65</b> | <b>650.18</b> | <b>-</b> | <b>-</b> | <b>650.18</b> |
| <b>Financial liabilities</b>  |                                    |   |                |               |               |          |          |               |
| Long term borrowings (Including current maturity of Long term borrowings) |                                    |   | -              | -             |               |          |          | -             |
| Short term borrowings   |                                    |   | -              | -             |               |          |          | -             |
| Trade and other payables  |                                    |   | -              | -             |               |          |          | -             |
| Other financial liabilities   |                                    |   | -              | -             |               |          |          | -             |
| <b>TOTAL</b>  | <b>-</b>                           | <b>-</b>                                      | <b>-</b>       | <b>-</b>      | <b>-</b>      | <b>-</b> | <b>-</b> | <b>-</b>      |

Rs.in Lakhs

|   | As at 31 March 2023                |   |                |               |               |          |          |               |
|---|------------------------------------|---|----------------|---------------|---------------|----------|----------|---------------|
|   | Carrying amount                    |   |                |               | Fair value    |          |          |               |
|   | Fair value through profit and loss | Fair value through other comprehensive income | Amortised Cost | Total         | Level 1       | Level 2  | Level 3  | Total         |
| <b>Financial assets</b>   |                                    |   |                |               |               |          |          |               |
| Cash and cash equivalents (Including other bank balances)                 |                                    |   | 25.92          | 25.92         |               |          |          | -             |
| Investments   |                                    |   |                |               |               |          |          |               |
| - Mutual Funds  | 34.65                              |   |                | 34.65         | 34.65         |          |          | 34.65         |
| - Equity Shares (Quoted)  | 233.90                             |   |                | 233.90        | 233.90        |          |          | 233.90        |
| - Equity Shares (Unquoted)  |                                    |   | 4.43           | 4.43          |               |          |          | -             |
| Trade and other receivables   |                                    |   | 134.87         | 134.87        |               |          |          | -             |
| Loans   |                                    |   | 76.00          | 76.00         |               |          |          | -             |
| Other financial assets  |                                    |   | 60.30          | 60.30         |               |          |          | -             |
| <b>TOTAL</b>  | <b>268.55</b>                      | <b>-</b>                                      | <b>301.52</b>  | <b>570.07</b> | <b>268.55</b> | <b>-</b> | <b>-</b> | <b>268.55</b> |
| <b>Financial liabilities</b>  |                                    |   |                |               |               |          |          |               |
| Long term borrowings (Including current maturity of Long term borrowings) |                                    |   | -              | -             |               |          |          | -             |
| Short term borrowings   |                                    |   | 90.00          | 90.00         |               |          |          | -             |
| Trade and other payables  |                                    |   | 17.64          | 17.64         |               |          |          | -             |
| Other financial liabilities   |                                    |   | -              | -             |               |          |          | -             |
| <b>TOTAL</b>  | <b>-</b>                           | <b>-</b>                                      | <b>107.64</b>  | <b>107.64</b> | <b>-</b>      | <b>-</b> | <b>-</b> | <b>-</b>      |

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

**B. Measurement of fair values**

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

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

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

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

**Transfers between Levels**

There are no transfers between the levels

**C. Financial risk management**

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

**I. Risk management framework**

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

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

**II. Credit risk**

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

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

**Trade and other receivables**

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

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

Based on prior experience and an assessment of the current economic environment, management believes that sufficient provision is made 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.

### iv. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates). Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

#### a) Currency risk

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

#### Exposure to currency risk

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

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

| Currency | Exposure to buy/sell | As at 31/03/2024 |                 | As at 31/03/2023 |                 |
|----------|----------------------|------------------|-----------------|------------------|-----------------|
|          |                      | Foreign Currency | Indian Currency | Foreign Currency | Indian Currency |
| USD      | Buy                  | -                | -               | -                | -               |

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

|            |      | As at 31/03/2024 |                 | As at 31/03/2023 |                 |
|------------|------|------------------|-----------------|------------------|-----------------|
|            |      | Foreign Currency | Indian Currency | Foreign Currency | Indian Currency |
| US Dollars | Buy  | 0.00             | 0.00            | 0.90             | 64.72           |
| US Dollars | Sell | 0.00             | 0.00            | 0.00             | 0.00            |

#### b) Interest rate risk

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

### 37 Tax Reconciliation

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

| Particulars                     | 2023-2024<br>(Rs. In lakhs) | 2022-2023<br>(Rs. In lakhs) |
|---------------------------------|-----------------------------|-----------------------------|
| Current Income Tax              | 91.32                       | -                           |
| Deferred Tax Expense            | (10.07)                     | 18.77                       |
| <b>Tax expense for the year</b> | <b>81.24</b>                | <b>18.77</b>                |

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

|   |              |              |
|---|--------------|--------------|
| Profit before income tax expense  | 562.56       | (322.54)     |
| Indian statutory income tax rate (MAT)  | 16.69%       | 16.69%       |
| Expected Income Tax expenses  | 93.89        | -            |
| Part A  |              |              |
| Tax effect of amounts which are not deductible (allowable) in calculating taxable income: |              |              |
| Income exempt from income taxes   | -            | -            |
| Additional allowances/deduction   | (2.59)       | -            |
| Transition gain   | -            | -            |
| Short/excess  | -            | -            |
| Others  | -            | -            |
| Current Tax (A)   | (2.59)       | -            |
| Part B  |              |              |
| Deferred Tax Effect at the rate of:   | 27.82%       | 27.82%       |
| Depreciation  | -            | -            |
| Investments at Fair Value   | -            | -            |
| Less:   |              |              |
| Depreciation  | 6.13         | 1.42         |
| Investments at Fair Value   | 7.11         | (18.27)      |
| Gratuity  | -            | -            |
| MAT Credit  | 0.00         | -            |
| Other Deferred tax Asset  | (2.80)       | (0.33)       |
| Provision for Doubtful Debts  | (0.37)       | (1.59)       |
| Deferred Tax (B)  | (10.07)      | 18.77        |
| <b>Tax Expense (A+B)</b>  | <b>81.24</b> | <b>18.77</b> |

### 38

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

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

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

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

### 39 The previous year figures have been regrouped, reallocated or reclassified wherever necessary to conform to current year classification and presentation.

As per our attached report of even date

For M/s Kastury & Talati  
Chartered Accountants  
FRN-104908W

Dhiren P. Talati  
Partner  
Membership No. F/41867  
Place : Mumbai  
Date : 11th May 2024



For and on behalf of the Board of Directors of  
Phiroze Sethna Private Limited

Sameer V Shah  
Director  
Din: 00105721  
Place : Navi Mumbai  
Date : 11th May 2024

*(Signature)*

Rashmi S. Gavli  
Director  
Din : 08001649  
Place : Navi Mumbai  
Date : 11th May 2024

