



# 50<sup>th</sup> ANNUAL REPORT 2025

Chembond Material Technologies Limited

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**Chief Financial Officer**  
Rashmi S. Gavli

**Cost Auditor**  
Aatish & Associates

**Registrar & Transfer Agent**  
MUG Intime India Private Limited (formerly Link Intime India Private Limited)

**Registered Office**  
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Website : [www.chembond.in](http://www.chembond.in)  
CIN : L24100MH1975PLC018235

**Company Secretary**  
Suchita Singh

**Secretarial Auditor**  
Virendra Bhatt

**Plants**  
Alandi, Pune  
Mahape, Navi Mumbai  
Rabale, Navi Mumbai  
Tarapur, Maharashtra

**Statutory Auditor**  
S H B A & CO LLP  
(formerly known as Bathiya & Associates LLP) Chartered Accountants

**Bankers**  
HDFC Bank Limited

The reports and discussions herein are based on the audited standalone and consolidated financial statements of Chembond Material Technologies Limited (formerly Chembond Chemicals Limited) and its subsidiary, Chembond Biosciences Limited (together referred to as "the Group") and covers the financial results and other developments from April 1, 2024 to March 31, 2025. The financial year 2024-25 is referred to as "the year" and the financial year 2023-24 is referred to as "the previous year".

This report gives restated numbers for the Material Technologies and Biosciences businesses of Chembond Material Technologies Limited post the approval of the Composite Scheme of Arrangement.

### Forward Looking Statements

Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. However, the actual future results may differ from those implied owing to various factors, risks and uncertainties. The Company undertakes no obligations to update or revise forward-looking statements based on any subsequent developments, information or events.

## BOARD OF DIRECTORS

**Ashwin R. Nagarwadia**

Non-Executive Director (till May 30, 2025)

**Mrs. Gorsii A. Parekh**

Independent Director (w.e.f. March 22, 2025)

**Jayesh P. Shah**

Independent Director

**Jaywant K. Tawade**

Additional, Executive Director (w.e.f. May 31, 2025)

**Kamal Tandon**

Additional, Independent Director (w.e.f. July 16, 2025)

**Mahendra K. Ghelani**

Independent Director (till August 8, 2024)

**Mayank P. Shah**

Independent Director (w.e.f. March 22, 2025)

**Nirmal V. Shah**

Non-Executive Director

**Dr. Prakash D. Trivedi**

Independent Director (till May 20, 2025)

**Sameer V. Shah**

Chairman &amp; Managing Director

**Mrs. Saraswati Sankar**

Independent Director (till March 23, 2025)

**Sushil U. Lakhani**

Independent Director (till August 8, 2024)

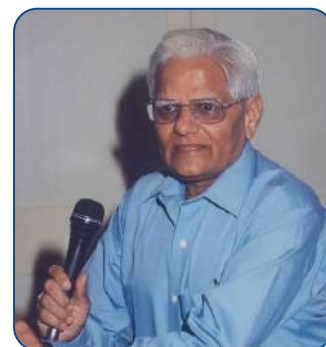
## Letter to Shareholders

### Dear Shareholders,

Chembond completed half a century this year! To think back to how Chembond was started by my father, Dr. Vinod D. Shah, we can truly feel proud of where we are fifty years later. Dr. Vinod Shah started thinking of Chembond and experimenting from a small kitchen in Lucknow. This “laboratory” then relocated to a balcony in Mumbai and after a couple more years, a “start-up” was born. Letting go of a senior management position and great career prospects with a MNC, at forty three (and four kids), required a special kind of mind and bent, and the strong support of my mother, Padma.

From that moment onwards, it has been a constant whirlwind of activity. From the first “factory” in a small shed in Parel to the “gala” in Lower Parel, then to the Tarapur plant in 1981, and now, fifty years later, we have always kept growing, “The Chembond Way.” If I think about the factors that contributed to this longevity, in addition to the most commonly cited factors – innovation, adaptation, and financial management – I would add greed (absence of), ethics, and passion. For a company like ours to thrive for the next 50 years, we will not only have to continue to innovate with continuous investment in R&D for new offerings & services, adapt to changing markets & conditions, and strengthen financial discipline but also check the greed instincts, work ethically, and maintain our passion to succeed. These are the ethos imbibed in us by our remarkable founder, Dr. Vinod D. Shah, which have become part of our DNA over the course of these years.

In recognition of his contributions to the industry, the Indian Chemical Society, at its 100 year celebration issued a coffee table book, “Chemical Heroes of the Century.” In this book, they have recognised the efforts of twelve individuals. I am proud to say that Dr. Shah is one among the dozen innovators in the hundred years of the chemical society in the country!

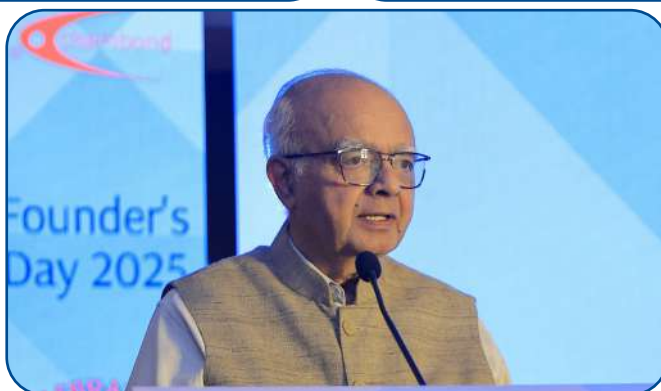


As we reflect on Chembond’s fifty year journey, we become more aware of the tremendous changes that have taken place during the evolution of our organisation. Those this year though seem more remarkable than in the past.

One major change is that in the space of a few months, our board underwent a complete 360, mainly due to regulations. We have seen the retirement of all independent and one promoter directors in 2024 and 2025.

Ashwin Nagarwadia, one of the founding promoters and a close friend of Dr. Vinod Shah stepped down from the Board in May 2025 because he felt that he would like to spend more time with his family and great grandchildren and in looking after his health. His dynamism, energy, ideas, network, and complete confidence in all us executives have had a great impact on where Chembond is today. His calm demeanour masked a razor-sharp business mind. His ideas for growing the business and exploring future technologies kept us ahead of the curve and always thinking forward.

We have to go back over 30 years to the time when Mahendra Ghelani joined the Chembond board. This was before our IPO, before our joint ventures or acquisitions or diversifications, and when we only had one manufacturing plant. All through this time, Mahendrabhai helped us navigate through all the challenges that came our way with his characteristic wit and pointed suggestions. His thoughtful discussions and healthy debates helped not just with legal matters but also added value across finance, strategy, operations, and more.



Sushil Lakhani joined our board in May 2010 on the recommendation of our director at the time, Jawahar Mehta. His deep knowledge of all areas of finance and business kept our management teams on their toes when it came to financial statements and audits. His support and advice—especially on direct, indirect, and foreign taxes—were spot on and something we could always count on.

Mrs. Saraswati Shankar attained term limits in March 2025. She brought a refreshing change to the board—adding much-needed diversity and balance. Her presence made discussions richer and helped us view things from a broader, more inclusive perspective.

In May 2025, Dr. Prakash Trivedi reached the ten year limit as an independent director. He was a tremendous asset to Chembond in technological and scientific areas where he would draw on his R&D experience in large-scale companies, in start-ups, as well as his vast network of academicians and industrialists. The best part was that he could deliver advice with a smile and a touch of humour—making it easier to accept and act on.

Our board meetings and AGM's are going to be quite different without the presence, knowledge, wit, and above all, the ethics they insisted on in all affairs of Chembond. However, I am happy to say that we have equally competent and experienced directors joining our Board. All of us in the management team of Chembond look forward to the discussions and participation of Jayesh Shah, Mayank Shah, Gorsri Parekh, Jaywant Tawade and Kamal Tandon in the years ahead.

Another change for all of us is that with the approval of the demerger scheme by the statutory bodies and shareholders, Chembond is now a more focussed organisation. Material Technologies as well as Biosciences, are cutting edge businesses in exciting growth areas. All of the end markets that require our products - automobiles, 2/3 wheelers, commercial vehicles, steel, appliances, nutrition, or engineering – are going to keep growing. We have a strong foundation and with upcoming investments in product development, manufacturing facilities, and human capital, we can look forward to more change in the years ahead!

Sincerely



Sameer V. Shah  
Chairman  
30/05/2025



## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure & Developments

The global economy continues to expand at a steady yet moderate pace. For the current fiscal, the outlook for the Indian economy remains promising. The Indian chemical industry too is expected to be on a growth trajectory, supported by rising demand.

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

The markets your Company caters to are growing. Your Company, with its infrastructure, human resources, sales and technical service expertise, financials, and product development, is well placed to capitalise on the growing demand. The company is further strengthening its product development activities, improving its manufacturing efficiencies, attaining increasing quality standards, among other initiatives, in order to remain competitive.

#### Opportunities

1. India is one of the faster growing large economies. As our standards of living improve, the demand for manufactured products will increase, which augurs well for your Company.
2. As the Indian consumers' purchasing power increases and they start to buy more two wheelers, cars, trucks, build more houses, buy more appliances, add more protein to our diets, etc. the demand for your Company's products will increase.
3. Being a well-known, professionally managed Company, customers will appreciate your Company's product offerings.
4. India's faster integration in global trade can open up more opportunities for export of your Company's products and for goods that use the same.

#### Threats

1. Volatility in raw material prices, exchange rates, global trade, geopolitics.
2. Threats from low-cost manufacturers and global manufacturers.
3. Obsolescence of your Company's technologies.
4. Changes in environmental regulations, automotive regulations, safety norms.
5. Cyber-attacks or data breaches.

6. Failure to attract or retain top talent.
7. Failure to innovate or meet customer needs.
8. Outbreak of infectious diseases could lead to death or precautionary destruction of farm animals as well as the reduced consumption and demand for animal derived protein.
9. Extreme weather or global warming events, infectious diseases, outbreaks, can impact demand or result in regional or seasonal fluctuations of sales as well as our operations.

### Risks & Concerns

The growth of the performance materials and biosciences industry is driven by a need for constant innovation. A strong R&D focus ensures such innovation, quality management, and cost reductions. Your Company has been increasing its investments in strengthening its in-house development capabilities.

The Company is exposed to safety, health, security, and environmental risks, given the diversity and complexity of the industry in which your Company operates. The Managements commitment towards employee safety, health and the environment extends beyond accidents and occupational health hazards to social well-being of employees. The Company conducts frequent SHE audits to confirm its framework protocol and regulatory compliances, safety trainings are conducted across all our locations to nurture a culture of awareness and responsible behaviour. The Company has a Safety, Health and Environment Policy entailing its commitment towards high standards across its facilities.

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

### Financial Performance

During the year under review, your Company has achieved revenue from operations of ₹17,120.70 lakhs on a standalone basis and ₹20,129.99 lakhs on a consolidated basis. The comparative highlights and analysis are tabulated below.

**Standalone and Consolidated**
**(₹ in Lakhs)**

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Net Sales	17,120.70	15,334.04	20,129.99	17,824.43
Product Margin	7,260.51	6,173.68	8,521.63	7,172.78
Gross Margin	6,234.62	5,234.75	7,458.01	6,158.25
Selling & Administration	2,420.14	2,057.18	3,020.13	2,600.66
Employee Cost	2,500.40	2,325.66	3,079.55	2,924.28
EBITDA	1,684.27	1,633.89	1,770.25	1,415.94
PBT	1,919.05	1,942.87	1,946.10	1,669.47

**Ratio Analysis**

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Product Margin, % of Sales	42.41	40.26	42.33	40.24
Gross Margin, % of Sales	36.42	34.14	37.05	34.55
Selling & Admin Costs, % of Sales	14.14	13.42	15.00	14.59
Employee Costs, % of Sales	14.60	15.17	15.30	16.41
% EBITDA to Sales	9.84	10.66	8.79	7.94
Net Profit Margin (%)	9.65	8.26	8.41	5.81
Return on Net Worth (%)	10.50	9.13	11.25	7.80
EPS (Basic & Diluted)	12.81	10.28	13.06	8.31
Debt/Equity ratio	-	0.01	0.02	0.05
Debtors Turnover	4.19	3.15	4.98	3.65
Inventory Turnover	6.67	6.98	7.16	6.81
Interest Coverage ratio	795.49	122.17	3.00	1.80
Current ratio	2.66	2.65	2.23	2.13

Operating profit, net profit margin and return on equity have improved on the backdrop of sales growth and introduction of new products with higher margins across operating business units.

Improvement in collection days and better realisation from trade receivables enabled the Company to reduce borrowings, thus resulting in improved debtors turnover ratio, debt equity ratio and interest coverage ratio for standalone and consolidated financials.

*There is no significant change (i.e. change more than compared to FY 2023-24) in other key financial ratios for FY 2024-25.*

## Segment Performance

### Biotech

The India animal healthcare market encompasses a wide range of products and services, including veterinary pharmaceuticals, vaccines, feed additives, and diagnostics. Livestock accounts for approximately 65% of market share, companion animal care at 25%, and aquaculture at 10%. The India animal health market is estimated at ₹ 86 billion in 2024.

The Indian animal healthcare market growth is fuelled by the need to enhance livestock productivity, prevent zoonotic diseases, and meet the rising demand for animal protein. Technological advancements and government initiatives are playing a pivotal role in shaping the market. Government initiatives, such as the National Animal Disease Control Program (NADCP), are further propelling the market by enhancing vaccination coverage, disease prevention/surveillance efforts and livestock insurance schemes. Moreover, the rise of telemedicine and digital platforms for animal healthcare is transforming how veterinarians access services, ensuring timely and efficient care.

Chembond Biosciences is present in the feed additives segment which is experiencing rapid growth, focusing on improving animal nutrition and productivity. Your Company's nutritional supplements cater to the Poultry, Dairy and Aqua segments with a presence nationwide. Our in-house manufacturing and R&D are focused on,

- Probiotics, Prebiotics & Enzymes
- Biosecurity & Farm Management
- Feed Additives
- Vitamin & Mineral Premixes

In the financial year 2024-25, Chembond Biosciences Limited achieved sales of ₹ 32.8 cr, a creditable growth of 14.5% over the previous year. Sales to the dairy segment grew by an impressive 34%. Vitamin premix sales in the poultry segment were affected by a sudden rise in input costs but were still able to grow by 11%. Our focused approach on improving overall hygiene of the business have resulted in positive results. We remain committed to developing quality products, delivering operational excellence, navigating challenges, and improving cash flows.

Looking forward, based on information from industry and market research groups, we expect the market for animal nutrition supplements to grow at a CAGR of above 7% till 2030.

## Material Technologies

The Material Technologies business grew by 12%, primarily by continued growth in Automotive Sealants, Metal Treatment Chemicals, and Engineering Adhesives. In Metal Treatment the Company made continued progress in expanding its Surface Treatment business in General Industry, Steel, and Automotive Components. The Sealants business grew due to higher production of passenger vehicles, breakthroughs in the passenger vehicle category with wins of new customers / new lines. Introduction of newer technologies to the automotive industry continues to be a focus. In order to remain competitive, cost optimization, quality improvement, and improvement in productivity via initiatives like value stream mapping have been initiated.

### Sealants

This year marked important strides for our sealants business. We successfully entered the passenger vehicle segment by starting supplies of paint shop sealants—an important step toward broadening our presence in high-volume automotive markets. Additionally, we developed butyl tapes used in the construction industry, opening up new opportunities beyond automotive. On the export front, we have focused efforts on tack cloths, with shipments now reaching global markets, reflecting a small but growing international interest in our product range.

### Metal Treatment Chemicals

In our metal treatment chemicals portfolio, we've continued to build on our strengths while expanding into new territories. We reinforced our position in the white goods industry, securing supply relationships with more new lines. Our reach now extends to international markets as well, with exports of products for the steel industry to Africa. We've also deepened our presence in the cold forming industry, offering solutions tailored to evolving customer needs. Our focus remains on performance, reliability, and sustainability as we grow our domestic and global footprint.

### Research & Development

Key customer wins in Metal Treatment Chemicals, Automotive Sealants, and Engineering Adhesives can be attributed to initiatives taken over the past years in product development. New sealants with better properties that met customer needs were developed. Energy and water saving cleaners were introduced in the metal treatment chemicals segment. The Biosciences team introduced new probiotics with better



delivery systems. Products with further environmental advantages for the steel and coil industry are under advanced stages of development.

In our endeavour to build a growing, profitable, and sustainable Company, these activities are being strengthened across all segments. Going forward, investment in R&D will be a priority for your Company and we will strive to reach an investment target of 5 to 10 % of sales in product development in the near future.

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

At Chembond, safety, health, and environmental responsibility are core to our culture. We are committed to providing a safe and healthy workplace, exceeding statutory norms, and being the “supplier of choice” for our diverse customers. Our integrated operating management system is built on recognized engineering practices and international standards (ISO 9001, ISO 14001, ISO 45001), ensuring continuous improvement. We proactively track and analyse leading indicators, near-misses, and share learnings across our group, with regular reviews at the Company Director level to reinforce leadership accountability. As a responsible manufacturer, we support global climate change initiatives to actively reduce our carbon footprint by generating clean, renewable energy on-site. Our process-oriented approach enables us to meet goals efficiently while enhancing safety and sustainability performance..

### **Human Resources**

The Company remains committed to fostering a culture of continuous people development and building a workplace rooted in trust, empathy, and mutual respect. During the year, we focused on strengthening our performance monitoring and feedback mechanisms to promote transparency, accountability, and individual growth. To support capability building, we introduced structured leadership development programs enabling employees to enhance their managerial effectiveness, strategic thinking, and people leadership skills. These initiatives are designed to bring greater consistency across our expanding operations and ensure stronger alignment between organizational objectives and employee aspirations. Through these efforts, we continue to uphold and reinforce our core values across every level of the organization.

### **Industrial / Employee Relations**

The Company has maintained harmonious industrial / employee relations throughout and no man-days were lost due to industrial / employee actions.

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

Chembond’s sound internal control system, aims to ensure that operations are effective and well aligned with the strategic goals and its evolving needs. The Company’s internal controls are commensurate with its size, nature, geographical spread and complexities of its operations both at the entity and the process levels. The Company’s ERP system has been designed to have in-built checks and controls. The Company leverages an advanced SAP S/4HANA system for data capture, accounting, consolidation and management information purposes. Automated controls are integrated into processes to minimise deviations and exceptions, aligning with global best practices. It provides a full audit trail, logging and evaluation of all changed data in the system. Accounting documents are recorded for all business transactions. The internal control framework is intended to provide reasonable assurance towards the effectiveness and efficiency of its operations, reliability of financial reporting, compliance with applicable laws and regulations, prevention and detection of frauds and errors and safeguarding its assets.

The Company has implemented the Internal Financial Control (IFC) framework to ensure proper internal controls over financial reporting. The internal control system is further supplemented by internal audits carried out by independent Chartered Accountants and periodic reviews by the Management. The internal audit process is designed to assess the adequacy of internal checks and controls in the system and covers all the significant areas of the Company’s operations. Process owners undertake corrective actions in their respective areas based on the internal audit observations, thereby further strengthening the controls. The Audit Committee reviews the adequacy and effectiveness of the internal control systems and tracks the implementation of corrective actions. Significant audit observations and corrective actions taken by the Management are presented to the Audit Committee. The Audit Committee also meets the Statutory Auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors informed of its major observations.

## Corporate Social Responsibility (CSR)

The Chembond Children's Centre runs educational centres in six villages around Tarapur. In these villages (padas), the Children's Centre works with over 200 children in the 1<sup>st</sup> to 4<sup>th</sup> standard group and almost 100 balwadi kids. The objective of these centres is to augment school curriculum by providing individual attention to students and improving the self-esteem of girls via skills like martial arts. In addition to the above, the Chembond Children's Centre provides a nutritious meal, conducts camps and workshops in the areas of health care, life skills and assists students in obtaining scholarships.

The fundamental goals of the Chembond Children's Centre are:

- to teach kids, especially girls, a variety of skill sets that would enable them to carve their future. Our unwavering thought and support towards women empowerment and education has led to encouraging women to realize their self-worth and potential, develop a source of income for themselves and to stand strong in life independently.
- to ensure that children in rural areas get opportunities for overall development and take responsibility for their lives and the world around them.
- to promote academic development by building a strong foundation in numeracy and literacy skills through the enhancing mathematical concepts, problem-solving abilities, as well as reading, writing, and comprehension skills.

- to support early childhood education, the program places special emphasis on language development, motor skills, emotional growth, and the cultivation of healthy habits—laying a strong foundation for the child's future learning. It also encourages regular interaction with parents, fostering their active involvement in their child's early educational journey.

During the year under review your Company donated ₹18.60 lakhs to the Visan Trust for running the Chembond Children's Centre. Details pertaining to CSR Committee, Policy etc. are given in the Boards' Report.

## Disclosure of Accounting Treatment

Chembond has prepared financial statements for the FY 2024-25 in accordance with the Indian Accounting Standards (IND AS) as specified under Section 133 of the Companies Act, 2013.

## Outlook

The outlook for the Indian economy and your Company in 2025-26 remains good.

On behalf of the Board

sd/-

**Sameer V. Shah**

Chairman & Managing Director

DIN: 00105721

Navi Mumbai

May 30, 2025

## FOUNDERS DAY CELEBRATION





## CSR ACTIVITIES THROUGH VISAN TRUST



**10 Years' Financial Performance Standalone** (₹In lakhs except per share data and ratios)

Highlights	2024-25	2023-24 Restated	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
<b>Operating Result</b>										
Revenue From Operations	17,120.70	15,334.04	5,086.45	4,563.92	4,203.69	5,854.29	15,628.96	23,779.03	24,367.32	21,563.77
Other Income	719.97	1,405.08	541.34	1,010.51	1,191.20	655.81	564.58	1,048.47	1,682.00	3,480.99
Finance Cost	9.05	24.72	6.48	4.82	7.11	4.86	29.12	54.60	63.88	118.75
Depreciation	260.68	289.41	243.87	269.93	280.46	279.84	287.77	287.18	274.10	268.57
PBT	1,919.05	1,942.87	455.37	1,092.78	1,264.90	530.81	706.27	1,406.12	1,729.97	18,567.35
PAT	1,722.36	1,382.45	395.93	874.37	967.32	554.16	633.15	1,359.31	1,451.50	15,122.59
Dividend on Equity Shares	470.69	403.45	672.41	302.59	-	537.93	248.79	221.90	-	601.97
<b>Financial Position</b>										
Equity Share Capital	672.41	672.41	672.41	672.41	672.41	672.41	672.41	672.41	672.41	669.69
Reserves (Less Revaluation Reserve & Misc exp)	15,728.11	14,471.00	23,508.05	23,828.85	23,257.87	22,291.87	22,282.45	21,907.35	20,765.91	19,291.49
Net Worth	16,400.52	15,143.41	24,180.46	24,501.26	23,930.28	22,964.28	22,954.86	22,579.77	21,438.32	19,961.18
Borrowings						-	-	467.12	732.18	819.54
Net Block (Asset)	4,080.84	3,903.35	3,552.68	3,252.55	3,414.79	3,652.39	3,763.63	3,805.35	3,936.97	3,680.86
<b>Ratios</b>										
Return on Average Networth %(RONW) (PAT divided by Average Networth)	11%	7.0%	1.63%	3.61%	4.13%	2.41%	2.78%	6.18%	7.01%	120.23%
Return on Average Capital Employed %( ROCE) (PBIT divided by Average Fund Employed Excluding Def tax liab)	12%	10%	1.90%	4.55%	5.45%	2.35%	2.90%	6.46%	8.35%	132.63%
Gross Gearing % (Debt as a percentage of Debt plus Equity)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.03%	3.30%	3.94%
Current Ratio (Current Assets divided by Current Liabilities**)	2.66	2.65	6.39	9.95	7.45	7.73	4.33	1.78	3.13	2.93
Asset Turnover Ratio (Net Sales divided by Total Assets)	0.85	0.81	0.20	0.18	0.17	0.24	0.62	0.85	0.89	0.85
Earning Per Share (Basic)*	12.81	10.28	2.61	6.53	7.18	4.12	4.71	10.11	10.81	113.23
Dividend Per Share	3.50	3.00	5.00	2.25	-	4.00	1.85	1.65	-	9.00
Book Value per Share*	121.95	112.60	179.80	182.19	177.94	170.76	170.69	167.90	159.41	149.03

Pursuant to Composite Scheme of Arrangement, the Company has restated FY 2023-24 figures wherever necessary to conform with current year classification and presentation as per IND-AS 103 business combination, hence prior years figures are not comparable (Refer Note no. 49 & 50)

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

\* Adjusted for Subdivision of Shares in September 2016 from face value of ₹10/- each to ₹5/- each

\*\* Current liabilities excludes short term borrowing and current maturities of long term debt



## 10 Years' Financial Performance Consolidated

(₹In lakhs except per share data and ratios)

Highlights	2024-25	2023-24 Restated	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
<b>Operating Result</b>										
Revenue From Operations	20,129.99	17,824.43	44,044.41	34,898.08	27,444.58	26,804.28	30,130.94	33,422.81	32,086.11	27,104.71
Other Income	761.68	1,405.74	463.61	861.08	1,533.09	303.78	393.14	1,064.02	1,829.86	3,321.25
Finance Cost	63.79	76.03	104.13	68.91	42.19	78.29	78.20	118.21	116.67	181.36
Depreciation	264.86	293.54	450.53	447.86	455.45	434.80	423.98	410.67	381.56	354.51
PBT	1,946.10	1,669.47	3,366.79	2,053.76	2,852.92	789.21	2,440.59	2,790.28	3,021.42	19,484.02
PAT	1,756.24	1,117.63	2,477.19	1,398.57	2,040.89	308.50	1,983.64	2,356.77	2,285.73	15,650.25
Dividend on Equity Shares	470.69	403.45	672.41	302.59	-	537.93	248.79	221.90	-	601.97
<b>Financial Position</b>										
Equity Share Capital	672.41	672.41	672.41	672.41	672.41	672.41	672.41	672.41	672.41	669.69
Reserves (Less Revaluation Reserve & Misc exp)	14,944.13	13,651.82	31,515.01	29,722.64	28,646.73	26,195.52	25,471.56	24,162.33	22,335.46	20,183.93
Net Worth	15,616.54	14,324.24	32,187.41	30,395.05	29,319.14	26,867.93	26,143.97	24,834.75	23,007.87	20,853.62
Borrowings	264.63	668.30	731.47	150.63	188.06	337.82	670.22	908.96	888.25	1,089.79
Net Block (Asset)	4,104.86	3,927.60	11,648.61	12,069.50	12,155.39	12,391.26	10,921.78	10,813.77	4,912.55	4,714.11
<b>Ratios</b>										
Return on Average Networth %(RONW) (PAT divided by Average Networth)	11.7%	4.8%	7.92%	4.68%	7.26%	1.16%	7.78%	9.85%	10.42%	103.04%
Return on Average Capital Employed % (ROCE) (PBT divided by Average Fund Employed Excluding Def tax liab)	13.02%	7.29%	10.94%	7.07%	10.21%	3.21%	9.58%	11.72%	13.69%	115.72%
Gross Gearing % (Debt as a percentage of Debt plus Equity)	1.67%	4.46%	2.22%	0.49%	0.64%	1.24%	2.50%	3.53%	3.72%	4.97%
Current Ratio (Current Assets divided by Current Liabilities**)	2.23	2.13	2.72	3.59	3.24	3.71	3.47	2.42	3.37	2.83
Asset Turnover Ratio (Net Sales divided by Total Assets)	1.00	0.93	1.10	0.97	0.78	0.83	0.94	1.03	1.00	0.91
Earning Per Share (Basic)*	13.06	8.31	18.36	10.35	15.13	1.39	12.88	16.34	14.40	115.04
Dividend Per Share	3.50	3.00	5.00	2.25	-	4.00	1.85	1.65	-	9.00
Book Value Per Share*	116.12	106.51	239.34	226.01	218.01	199.79	194.40	184.67	171.08	155.70

Pursuant to Composite Scheme of Arrangement, the Company has restated FY 2023-24 figures wherever necessary to conform with current year classification and presentation as per IND-AS 103 business combination, hence prior years figures are not comparable (Refer Note no. 50 & 51)

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

\* Adjusted for Subdivision of Shares in September 2016 from face value of ₹10/- each to ₹5/- each

\*\* Current liabilities excludes short term borrowing and current maturities of long term debt

## BOARD'S REPORT

To,

The Members,

Your Directors take pleasure in presenting the 50<sup>th</sup> Annual Report on the business and operations of your Company together with the audited financial statements for the year ended March 31, 2025.

### State of the Company's Affairs

#### Financial Results

The financial performance of your Company is as summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenues from Operations	17,120.70	15,334.04	20,129.99	17,824.43
Total Expense	16,076.36	14,796.25	19,100.30	17,560.70
Profit Before Tax	1,919.05	1,942.87	1,946.10	1,669.47
Profit for the Year	1,722.36	1,382.45	1,756.24	1,117.63
Add: Balance as per last year	11,281.99	22,239.24	10,452.86	21,674.93
Add: Merger Effect of subsidiaries	-	1084.57	-	1,084.57
Less: Demerger effect of subsidiaries	-	(13,020.83)	-	(13,020.83)
Add: Profit for the year	1,722.36	1,382.45	1,756.24	1,117.63
<b>Total</b>	<b>13,004.35</b>	<b>11,685.44</b>	<b>12,209.10</b>	<b>10,856.31</b>
<b>Appropriation</b>				
General Reserves	-	-	-	-
Dividend Paid	(470.69)	(403.45)	(470.69)	(403.45)
Tax on Dividend Paid	-	-	-	-
Balance carried to Balance Sheet	12,533.66	11,281.99	11,738.41	10,452.86
<b>Total</b>	<b>13,004.35</b>	<b>11,685.44</b>	<b>12,209.10</b>	<b>10,856.31</b>

### Results of Operations

#### Income

During the year under review, consolidated revenue from operations was ₹20,129.99 lakhs as compared to ₹17,824.43 lakhs in the previous year. On a standalone basis, your Company's revenues from operations were ₹17,120.70 lakhs as compared to ₹15,334.04 lakhs in the previous year.

#### Profit Before Tax

Consolidated profit before tax for the current year was ₹1,946.10 lakhs as against ₹1,669.47 lakhs in the previous year. On a standalone basis, your Company's profit before tax for the current year was ₹1,919.05 lakhs as against ₹1,942.87 lakhs in the previous year.

#### Profit After Tax

Consolidated profit after tax for the current year was ₹1,756.24 lakhs as against ₹1,117.63 lakhs in the previous year. On a standalone basis, your Company's profit after tax for the current year was ₹1,722.36 lakhs as against ₹1,382.45 lakhs in the previous year.

#### Composite Scheme of Arrangement

The Board of Directors of the Company at its meeting held on December 12, 2023 approved the Composite Scheme of Arrangement between Chembond Material Technologies Limited (formerly Chembond Chemicals Limited) ("Demerged Company"/ "Transferee Company"/"CMTL") and Chembond Chemical Specialties Limited ("Resulting Company"/"CCL")

and Chembond Clean Water Technologies Limited (“Transferor Company No. 1” or “CCWTL”) and Chembond Material Technologies Private Limited (“Transferor Company No. 2” or “CMTPL”) and Phiroze Sethna Private Limited (“Transferor Company No. 3” or “PSPL”) and Gramos Chemicals (India) Private Limited (“Transferor Company no. 4” or “GCIPL”) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”).

The Scheme envisaged transfer of Construction Chemical and Water Treatment (“CC & WT”) business to Chembond Chemical Specialties Limited – Resulting Company by way of demerger and post demerger, amalgamation of CCWTL with Resulting Company (Amalgamation I) and amalgamation of CMTPL, PSPL and GCIPL with Demerged Company (Amalgamation II). The National Company Law Tribunal (NCLT) has approved the Scheme vide its order dated April 7, 2025 and the Scheme has become effective from Saturday, May 03, 2025.

Pursuant to Clause 42 of the Composite Scheme of Arrangement, the name of the Company has changed from ‘Chembond Chemicals Limited’ to ‘Chembond Material Technologies Limited’ with effect from May 27, 2025.

## Change in the Nature of Business

After the approval of the Composite Scheme of Arrangement the Company continues to engage in manufacturing specialty chemicals like high performance coatings, automotive sealants, metal treatment chemicals, engineering adhesives, and animal health and industrial biotech products.

## Dividend

The Board of Directors have recommended final dividend of ₹1.75 (Rupee One and Paisa Seventy Five only) per share (35%) for the financial year ended March 31, 2025.

In view of the changes made under the Income-Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the final Dividend after deduction of tax at source.

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the Board of Directors

of the Company has voluntarily adopted a Dividend Distribution Policy (“Policy”) which endeavors for fairness, consistency and sustainability while distributing profits to the shareholders. Dividend payout is in accordance with the Policy which is available on the website of the Company i.e. <https://chembond.in/all-policies/>.

## Share Capital

The movement of Paid-up Equity Capital is as under:

Particulars	No. of Equity Shares	Equity Share Capital (₹)
Equity Capital as on April 1, 2024	1,34,48,288	6,72,41,440
Increase/ Decrease during the year	Nil	Nil
Equity Capital as on March 31, 2025	1,34,48,288	6,72,41,440

During the year 2024-25, there was no change in the Paid-up capital of the Company.

Pursuant to the Composite Scheme of Arrangement the Authorised Share Capital of the Company increased w.e.f. the appointed date i.e. April 1, 2024 as given below:

Particulars	No. of Equity Shares	Equity Share Capital (₹)
Authorised Capital as on April 1, 2024	2,00,00,000	10,00,00,000
Add –		
Authorised Capital of CMTPL	50,00,000	2,50,00,000
Authorised Capital of PSPL	2,00,000	10,00,000
Authorised Capital of GCIPL	20,00,000	1,00,00,000
<b>Authorised Capital as on March 31, 2025</b>	<b>2,72,00,000</b>	<b>13,60,00,000</b>

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

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

### **Deposits**

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

### **Transfer to Reserves**

The Board of Directors has decided to retain the entire amount of profits for FY 2024-25 in the retained earnings. (Previous year Nil)

### **Directors**

The Company recognizes the importance of a diverse Board in the growth and success of the organization. It is also crucial for effective corporate governance and improved organizational performance. It helps enhance decision-making, fostering a wider range of perspectives, leading to better understanding of stakeholders and improved risk management. Diversity also boosts innovation, reflects the diversity of the company's stakeholders, and can positively impact financial performance and reputation.

As on the date of this report, the Board of the Company consists of six Directors comprising of one Non-executive Non-Independent Director, two Executive Directors, and three Independent Directors, of whom one is a Woman. The Chairman of the Board is an Executive Director.

### **Director retiring by rotation**

In accordance with the provisions of Section 152(6) of the Act, Mr. Nirmal V. Shah (DIN:00083853) Non-executive Director, retires by rotation and being eligible, offers himself for re-appointment. His background is given in the Notice, which forms part of Annual Report.

### **Appointment of Director**

Based on the recommendation of Nomination and Remuneration Committee (NRC) and in accordance with the provisions of the Act and the Listing Regulations, the Company appointed Mr. Mayank P. Shah (DIN:01655046) and Mrs. Gorsî A. Parekh (DIN:00343194) as Additional (Non-executive and Independent) Directors of the Company for a period of five (5) years w.e.f. March 22, 2025 till March 21, 2030 and shareholders' approval of the same was accorded through Postal Ballot on May 27, 2025.

Based on the recommendation of the NRC, Mr. Jaywant K. Tawade (DIN:08231649) was appointed as an Additional (Executive) Director of the Company for a period of three (3) years, w.e.f. May 31, 2025 subject to approval of the Members of the Company in the ensuing General Meeting.

After the date of the Board's Report, based on the recommendations of the NRC, Mr. Kamal Tandon (DIN:09664746) was appointed as an Additional (Independent) Director of the Company for a period of five years (5) w.e.f. July 16, 2025 till July 15, 2030 subject to approval of the Members of the Company in the ensuing General Meeting.

### **Retirement / Resignation / Re-designation of Directors**

Mr. Mahendra Ghelani (DIN:01108297) and Mr. Sushil Lakhani (DIN:01578957) ceased to be Independent Directors of the Company on August 8, 2024 upon completion of their second consecutive term of appointment.

Mrs. Saraswati Sankar (DIN:07133249) ceased to be an Independent Director of the Company on March 23, 2025 upon completion of her second consecutive term of appointment.

Dr. Prakash Trivedi (DIN:00231288) ceased to be an Independent Director of the Company on May 20, 2025 upon completion of his second consecutive term of appointment.

Mr. Ashwin R. Nagarwadia (DIN:00466681), a Non-executive Director stepped down from his position as a Director of the Company due to advancing age and associated concerns about being able to contribute to the Board in the future with the same energy with effect from May 30, 2025.

Mr. Nirmal V. Shah (DIN:00083853) stepped down from the position of Vice-Chairman and Managing Director, w.e.f. May 30, 2025 due to the fact that he will be CMD of the resulting company, Chembond Chemical Specialties Limited. Mr. Nirmal V. Shah shall continue as a Non-executive Director of the Company.

The Board acknowledges and expresses its heartfelt gratitude for the exceptional contributions made by Mr. Mahendra Ghelani, Mr. Sushil Lakhani, Mrs. Saraswati Sankar, Dr. Prakash Trivedi, and Mr. Ashwin Nagarwadia during their association with the Company.

### **Re-appointment**

Mr. Sameer V. Shah (DIN:00105721) was re-appointed as the Chairman & Managing Director of the Company

based on the recommendation of the NRC and the Board of Directors at its meeting held on May 30, 2025 for a period of three years w.e.f. August 1, 2025 to July 31, 2028 subject to approval of Members at the ensuing General Meeting.

### **Inter-se relationship between Directors**

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

### **Declaration by Independent Directors**

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

Further declaration of independence as required under the Listing Regulations were also given by the Directors.

### **Policy on Directors appointment and remuneration**

The Company has put in place an appropriate policy on appointment and remuneration of Directors and other matters provided under Section 178(3) of the Act. This policy is uploaded on the Company's website <https://chembond.in/all-policies/>. Salient features of the policy on remuneration of Directors have been disclosed in the Notice of this Annual Report.

### **Key Managerial Personnel**

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

### **Number of Board Meetings**

Five (5) meetings of the Board were held during the year under review, details of which are furnished in the Corporate Governance Report forming part of the Annual Report. The maximum gap between two Board Meetings did not exceed 120 days, as prescribed under the Act.

### **Performance Evaluation And Its Criteria**

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

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

The Independent Directors at its separate meeting held on February 20, 2025, reviewed the performance of Non-Independent Directors and performance of the Board as a whole, performance of the Chairman of the Company taking into account the views of Executive and Non-executive Directors and assessed the quality, quantity and timeliness of flow of information to the Board to perform their duties effectively and reasonably.

### **Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, in respect of the year ended March 31, 2025, confirm that:

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



- (e) they laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Audit Committee**

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

#### **Auditor's and Auditor's Report**

##### **Statutory Auditor**

M/s. Bathiya & Associates, LLP, Chartered Accountants (FRN:101046W/W100063) name changed to S H B A & CO LLP with effect from December 17, 2024 were appointed for second term as the Statutory Auditor of the Company for a period of five (5) consecutive years at the 48<sup>th</sup> Annual General Meeting (AGM) held on August 19, 2023 until the conclusion of the 53<sup>rd</sup> AGM to be held in FY 2028. However, the Auditors have expressed their intention to resign as Statutory Auditor of Company from the date of the ensuing 50<sup>th</sup> AGM vide their letter dated May 27, 2025 placed before the Audit Committee and Board at its meeting held on May 30, 2025, following the completion of the statutory audit for the financial year ended March 31, 2025 and the limited review for the quarter ending June 30, 2025 in view of the restructuring in the Company pursuant to Composite Scheme of Arrangement and their continuation as Statutory Auditors of the resulting company viz. Chembond Chemical Specialties Limited.

The Board at its meeting held on May 30, 2025 based on the recommendation of Audit Committee have recommended appointment of M/s. Kastury & Talati, Chartered Accountants (Firm Reg. No. 104908W) as Statutory Auditor of the Company from the date of ensuing 50<sup>th</sup> AGM for a term of five (5) years i.e. till the 55<sup>th</sup> AGM to be held in the year 2030, subject to approval of the shareholders.

The Report given by the Auditors on the financial statements of the Company is part of this Report. There has been no modified opinion, qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report during the year under review and the observations and comments given in the report

of the Statutory Auditors read together with Notes to Accounts are self-explanatory and hence do not call for any further explanation or comments under Section 134 (f)(i) of the Act.

##### **Cost Auditor**

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

The Board of Directors on the recommendation of Audit Committee, at their meeting held on May 30, 2025 appointed M/s. Aatish & Associates, Cost & Management Accountants, Mumbai, (FRN: 006726/Membership No. 30105) as the Cost Auditor to conduct audit of the cost records of the Company for FY 2025-26. The Company is seeking the approval of the Shareholders for the remuneration to be paid to M/s. Aatish & Associates, Cost & Management Accountant for the FY ending March 31, 2026.

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

The relevant Cost Audit Report for the FY 2023-24 was filed with Ministry of Corporate Affairs on August 30, 2024 in Form CRA-4.

##### **Secretarial Auditor & Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of the Listing Regulations, Board of Directors of the Company has recommended appointment of Mr. Virendra G. Bhatt, Practicing Company Secretary (C.P. No.: 124) to undertake the Secretarial Audit of the Company for the period of five (5) years from FY 2025-26 till FY 2029-30 subject to approval of shareholders at the ensuing General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company. The Company has received their written consent and confirmation that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Secretarial Audit Report in Form MR- 3 for the Financial Year ended March 31, 2025 has been annexed as **Annexure 1**.

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

## Reporting of Fraud

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

## Subsidiary

Your Company has one subsidiary company namely Chembond Biosciences Limited.

The details of financial performance of the subsidiary are given in AOC-I as **Annexure 2**.

Further, pursuant to the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiary, are available on the Company's website <https://chembond.in/subsidiary-financials/>.

Pursuant to the effectiveness of the Composite Scheme of Arrangement approved by The Hon'ble National Company Law Tribunal, Mumbai Bench, Court 1 vide order C.P.(CAA)/23(MB)2025 C/W C.A.(CAA)/162(MB)2024 on April 7, 2025 the following Companies have ceased to be subsidiaries of the Company.

- i. Chembond Chemical Specialties Limited (CCSL)
- ii. Chembond Calvatis Industrial Hygiene Systems Limited
- iii. Chembond Clean Water Technologies Limited (merged with CCSL w.e.f. May 3, 2025)
- iv. Chembond Distribution Limited
- v. Chembond Material Technologies Private Limited (merged with CMTL w.e.f. May 3, 2025)
- vi. Chembond Water Technologies Limited
- vii. Chembond Water Technologies (Malaysia) Sdn. Bhd.
- viii. Chembond Water Technologies (Thailand) Co. Ltd.
- ix. Phiroze Sethna Private Limited (merged with CMTL w.e.f. May 3, 2025)
- x. Gramos Chemicals India Private Limited (merged with CMTL w.e.f. May 3, 2025)

The said Scheme was implemented with the objective of restructuring and streamlining the group's operations for better strategic alignment and operational efficiency. Consequently, the above-mentioned companies have been transferred or reorganized in accordance with the terms of the Scheme and applicable regulatory approvals.

## Remuneration to Directors and Key Managerial Personnel

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

## Particulars of Employees

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

## Remuneration to Managing Director from wholly owned subsidiary

During the FY 2024-25, Mr. Sameer V. Shah – Chairman & Managing Director received remuneration of ₹37.13 lakhs from Chembond Biosciences Limited, WOS Company.

## Incentive / Commission to Directors

No commission was paid to the Non-executive Directors for FY 2024-25.

## Policies and Disclosure Requirements

In terms of the provisions of the Act and the Listing Regulations, the Company has adopted all the applicable policies. The policies are available on the website of the Company at <https://chembond.in/all-policies/>. All Directors and Senior Management Personnel have affirmed their adherence to the provisions of the Code of Conduct during the FY 2024-25. The Company's policy on Directors' appointment, remuneration and other matters provided in Section 178(3) of the Act forms part of Nomination and Remuneration Policy and has been disclosed in the Corporate Governance Report.

## Risk Management

As per the requirements of the Listing Regulations, a Risk Management Committee was constituted with the responsibility of preparation of a Risk Management

Plan, reviewing and monitoring the same on regular basis, to identify and review critical risks on regular basis, to report key changes in critical risks to the Board on an on-going basis, to report critical risks to the Audit Committee in detail on a yearly basis and such other functions as may be prescribed by the Board. The Company has its Risk Management Plan & Policy in place which is also displayed on the website of the Company i.e. <https://chembond.in/all-policies/>. In the opinion of the Board, during the FY 2024-25, no elements of risk which may threaten the existence of the Company were noticed by the Board. The Committee monitors the risk management plan and ensures its effectiveness. The details of Committee are set out in the Corporate Governance Report.

### **Internal Financial Control System**

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

Your Company has in place an adequate system of internal controls to ensure compliance with various policies, practices and statutes. The Company maintains robust internal financial controls systems and processes that are commensurate with the size, nature, geographical spread and complexities of its operation both at entity and process levels of the Company. Management exercises financial control on the operations through standard operating procedures covering all financial and operating functions which is designed to provide a reasonable assurance with regards to maintaining of proper accounting controls for ensuring reliability of financial reporting, effectiveness and efficiency of operations, safeguarding assets from unauthorized use or losses and compliance with applicable laws and regulations. Key controls have been tested during the year and corrective and preventive actions has been taken for any weakness. During the year no frauds were detected or reported to the Audit Committee.

### **Corporate Governance & Vigil Mechanism**

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

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

### **Corporate Social Responsibility**

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

The Company reviews and revises its CSR Policy pursuant to the Companies (Corporate Social Responsibility) Amendment Rules, 2021 from time to time. The CSR policy is available on Company's website at <https://chembond.in/all-policies/>.

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

During the year, the Company has spent ₹18.60 lakhs on CSR activities through Visan Trust. The Company has identified focus areas of engagement which have been enumerated in the Annual Report on CSR Activities attached as **Annexure 5**.

### **Particulars of Related Party Transactions**

All transactions entered into with related parties during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188(1) of the Act. Accordingly, the prescribed form AOC-2 is not applicable to your Company for FY 2025 and hence, does not form part of this report. Suitable disclosures as required by the Indian Accounting Standards (Ind AS-24) have been made in the notes to the Financial Statements. The Board has a policy for related party transactions which has been uploaded on the Company's website <https://chembond.in/all-policies/>.

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

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

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

Details of loans, guarantees and investments have been disclosed in the Financial Statements.

### **Promoter & Promoter Group**

The Promoter & Promoter Group's holding in the Company as on March 31, 2025 was 67.65% of the Paid-up Equity Capital. The members may note that the shareholding and other details of Promoters has been provided in the Annual Return.

### **Annual Return as on March 31, 2025**

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

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

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

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

Members are requested to note that all unpaid / unclaimed dividends for a period of seven consecutive years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF Fund) established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Company has transferred shares to the demat account of the IEPF authority in respect of which dividend has not been claimed for seven consecutive years or more. It had communicated to all the concerned

shareholders individually whose shares were liable to be transferred to IEPF. The Company had also given newspaper advertisements, before such transfer in favour of IEPF and also uploaded the details of such shareholders and shares transferred on the website of the Company.

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

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy for Prevention of Sexual Harassment at workplace is available on the website of the Company <https://chembond.in/all-policies/>. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. They are also provided training about the Act. During the year under review, no complaint was received.

### **Business Responsibility and Sustainability Report**

The Business Responsibility and Sustainability Report for the year ended March 31, 2025 as stipulated under Regulation 34 of the Listing Regulations is not applicable to the Company.

### **Material changes and commitment**

Except as disclosed elsewhere in the Report, there have been no material changes and commitment affecting, the financial position of your Company, which have occurred between the end of the financial year of the Company and the date of this Report.

### **Significant and Material Orders**

During the year under review, there has been one pending litigation against the Company and its Directors whose order is yet to be received. The matter is explained in detail in the Corporate Governance Section of the Annual Report. Except this there has been no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its future operations.



**Proceedings Pending under the Insolvency and Bankruptcy Code**

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

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

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

**Compliance with Secretarial Standards**

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

**Research and Development**

The Company recognizes the need to have well equipped R&D facilities to meet customer requirements and in

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

The Company has spent approx. ₹73.86/- Lakhs during the year under report on research and development.

**Acknowledgements**

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

On behalf of the Board

sd/-

**Sameer V. Shah**

Chairman & Managing Director  
DIN: 00105721

Navi Mumbai  
May 30, 2025



**ANNEXURE 1**
**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2025**

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

To,  
The Members,

**Chembond Material Technologies Limited**  
(formerly known as Chembond Chemicals Limited)

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

Based on my verification of the Company's statutory registers, minute books, forms and returns filed with the Registrar of Companies ('the ROC'), soft copy of various records sent over mail as provided by the Company and other relevant records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2025 ("audit period"),

I have examined the statutory registers, minute books, forms and returns filed with the ROC and other relevant records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2025 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, Circulars, Guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
- (iii) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial

Borrowings--(Not applicable during the audit period);

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

Though the following laws are prescribed in the format of Secretarial Audit Report, the same were not applicable to the Company for the financial year ended 31<sup>st</sup> March, 2025:

- (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) I further report that, based on the Compliance Report of various Laws submitted by Department Heads of the Company, I am of the opinion that the Company has prima facie proper system to comply with the applicable laws.
- (vii) I have also examined compliance with the applicable clauses and I am of the opinion

that the Company has prima facie complied with the applicable provisions of the Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

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

**I further report that:**

1. I have not examined the Financial Statements, Financial books, related financial Acts and Related Party Transactions etc., For these matters, I rely on the report of statutory auditors for Financial Statement for the financial year ended 31<sup>st</sup> March, 2025.
2. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were prima facie carried out in compliance with the provisions of the Act.
3. As per the information provided prima facie adequate notice is given to all Directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on agenda items before the Meeting and for meaningful participation at the Meeting.
4. All the decisions at the Meetings were carried out unanimously.
5. There are prima facie adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.
6. The management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/records required by the concerned authorities and internal control of the concerned department.
7. I further report that during the audit period, no specific events / actions which have a major bearing on the Company's affairs have taken place, in pursuance of the above referred laws, rules, regulations and standards except for the following:
  - A. Obtained approval from its Members at the 49<sup>th</sup> Annual General Meeting of the Company held on 7<sup>th</sup> August, 2024-
    - i. The Company has declared a Final Dividend of Rs. 3.50/- per share (70%) on fully paid equity shares of the face value of Rs. 5/- each of the Company for the financial year ended 31<sup>st</sup> March, 2024.
    - ii. Appointed Mr. Jayesh Prabhulal Shah (DIN: 00138346) as a Director and an Independent Director of the Company.
    - iii. For approval of following Material Related Party Transactions:
      - a. Chembond Chemicals Limited with Finor Piplaj Chemicals Limited,
      - b. Chembond Calvatis Industrial Hygiene Systems Limited (a Joint Venture Company) with Chembond Chemicals Limited,
      - c. Chembond Water Technologies Limited (Wholly Owned Subsidiary) with Finor Piplaj Chemicals Limited,
      - d. Rewasoft Solutions Private Limited (Step-down Associate) with Chembond Chemicals Limited and certain identified Related Parties of the Company,
      - e. Gramos Chemicals India Private Limited (Step Down Subsidiary) with Chembond Material Technologies Private Limited (Wholly Owned Subsidiary),
      - f. Chembond Clean Water Technologies Limited (Step Down Subsidiary) with Chembond Water Technologies Limited (Wholly Owned Subsidiary)
      - g. Chembond Water Technologies (Thailand) Co. Ltd. (Step Down Subsidiary) with Chembond Water Technologies Limited (Wholly Owned Subsidiary),
      - h. Chembond Water Technologies (Malaysia) Sdn. Bhd. (Step Down Subsidiary) with Chembond Water Technologies Limited (Wholly Owned Subsidiary).
  - B. Obtained approval from its Members at the National Company Law Tribunal Convened General Meeting of the Company held on 6<sup>th</sup> December, 2024 for Composite Scheme of Arrangement between Chembond Chemicals Limited ("Demerged Company" / "Transferee Company"/ "CCL") and Chembond Chemical Specialties Limited ("Resulting Company"/

“CCSL”) and Chembond Clean Water Technologies Limited (“Transferor Company No. 1” or “CCWTL”) and Chembond Material Technologies Private Limited (“Transferor Company No. 2” or “CMTPL”) and Phiroze Sethna Private Limited (“Transferor Company No. 3” or “PSPL”) and Gramos Chemicals (India) Private Limited (“Transferor Company No. 4” or “GCIPL”) and their respective shareholders under the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 along with applicable rules made thereunder including the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

The Hon’ble National Company Law Tribunal, Mumbai Bench has sanctioned the Composite Scheme of Arrangement amongst Chembond Chemicals Limited (“Demerged Company”/ “Transferee Company”/ “Company”) and Chembond Chemical Specialties Limited (“Resulting Company” or “CCSL”) and Chembond Clean Water Technologies Limited (“Transferor Company No. 1” or “CCWTL”) and Chembond Material Technologies Private Limited (“Transferor Company No. 2” or “CMTPL”) and Phiroze Sethna Private Limited (“Transferor Company No. 3” or “PSPL”) and Gramos Chemicals (India) Private Limited (“Transferor Company no. 4” or “GCIPL”) and their respective shareholders pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and rules made there under vide their order dated 7<sup>th</sup> April, 2025 (Certified Copy received on 22<sup>nd</sup> April, 2025) .

8. I further report that during the audit period, there were no instances of:
  - i. Public/ Rights/ Preferential issue of shares/ debentures/ sweat equity, etc.;
  - ii. Issue of equity shares under Employee Stock Option Scheme;
  - iii. Redemption / Buy-back of securities;

- iv. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013 which would have major bearing on the Company’s affairs.
- v. Foreign Technical Collaborations.

## I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. Compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. During the Audit Period, Mrs. Gors A. Parekh (DIN: 00343194) and Mr. Mayank P. Shah (DIN: 01655046) were appointed as an Additional (Independent) Directors of the Company.

Date: May 30, 2025  
Place: Mumbai  
UDIN: A001157G000732151

sd/-  
**Virendra G. Bhatt**  
Practicing Company Secretary  
ACS No.: 1157 / COP No.: 124  
Peer Review Cert. No.: 6489/2025

**Annexure 2**  
**Form AOC - 1**

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture as on March 31, 2025**  
**Part A: Subsidiary**

(Amount ₹ in lakhs)

Sr. No	Name of subsidiary	Date since when the subsidiary was incorporated or acquired	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1	Chembond Biosciences Limited	01.07.11	01.04.24 till 31.03.25	INR	190	(783.98)	1,175.32	1,769.30	-	3,281.46	27.05	(6.83)	33.88	-	100

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

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

On behalf of the Board

sd/-

**Sameer V. Shah**

Chairman & Managing Director

DIN: 00105721

Navi Mumbai

May 30, 2025



**Chembond Material Technologies Limited**

### Annexure 3

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

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

Name	Designation	Ratio to median remuneration
Sameer V. Shah	Chairman & Managing Director	22.80

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

Name	Designation	% increase
Sameer V. Shah	Chairman & Managing Director	10.00
Rashmi S. Gavli	Chief Financial Officer	16.32
Suchita Singh	Company Secretary	18.94

c) The percentage increase in the median remuneration of employees: 5.58%

d) The number of permanent employees: 262

The total employees at group level is 280

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

Average increase made in the salaries of employees other than key managerial personnel during the year is 5.73% versus 12.85% increase in managerial remuneration.

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

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

On behalf of the Board

sd/-

**Sameer V. Shah**

Chairman & Managing Director

DIN: 00105721

Navi Mumbai

May 30, 2025





**Annexure 4**

**CERTIFICATE OF CORPORATE GOVERNANCE**

To,  
The Members of **Chembond Material Technologies Limited**  
(formerly Chembond Chemicals Limited)

I have examined the compliance of Corporate Governance by **Chembond Material Technologies Limited** (formerly known as Chembond Chemicals Limited ) for the year ended 31<sup>st</sup> March, 2025, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the year ended 31<sup>st</sup> March, 2025.

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

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

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

**Date: May 30, 2025**  
**Place: Mumbai**  
**UDIN: A001157G000732129**

**sd/-**  
**Virendra G. Bhatt**  
**Practicing Company Secretary**  
**ACS No.: 1157 / COP No.: 124**  
**Peer Review Cert. No.: 6489/2025**

## Annexure 5

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2024-25

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

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

The Company has done various CSR activities through Visan Trust in the areas of education to underprivileged children. Some of the Projects are Visan Trust Girls Education Project and Chembond Children's Centre which runs non-formal education centres at Pasthal and Shirgaon near Tarapur. The CSR policy can be accessed at the website of Company through the weblink: <https://www.chembondindia.com/csr/> . During the year the Company has donated the CSR amount to Visan Trust.

#### 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings held	Number of meetings attended
1	Nirmal V. Shah^	Chairman/Executive Director	2	2
2	Sameer V. Shah	Member/ Chairman & Managing Director	2	2
3	Ashwin R. Nagarwadia	Member/Non-Executive Director	2	2
4	Mahendra K. Ghelani#	Member/Independent Director	2	2
5	Sushil U. Lakhani#	Member/Independent Director	2	1
6	Prakash D. Trivedi*	Member/Independent Director	1	1
7	Mayank P. Shah@	Member/Independent Director	-	-
8	Gorsi A. Parekh\$	Chairperson/Independent Director	-	-

^ Ceased to be the Chairman & Member of the Committee w.e.f. March 22, 2025

# Ceased to be the Member w.e.f. August 8, 2024, consequent upon completion of his term as an Independent Director

\* Appointed as a Member of the Committee w.e.f. August 8, 2024

@ Appointed as a Member of the Committee w.e.f. March 22, 2025

\$ Appointed as a Chairperson and Member of the Committee w.e.f. March 22, 2025

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

The web links are as follows:

- Composition of CSR Committee: <https://chembond.in/composition-of-committees/>
- CSR Policy: <https://chembond.in/all-policies/>
- CSR projects approved by the Board: <https://chembond.in/all-policies/>

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

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

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

**5. Average net profit of the Company as per Section 135(5): ₹930 lakhs**

6. (a) Two percent of average net profit of the Company as per Section 135(5): ₹18.60 lakhs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: Nil  
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 18.60 lakhs

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

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

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

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

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

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1.	Child Education/ Woman Empowerment	(ii)	Yes	Maharashtra, Palghar		18.60	No	Visan Trust	CSR00009446
	<b>TOTAL</b>					<b>18.60</b>			

(d) Amount spent in Administrative Overheads: Nil

- (e) Amount spent on Impact Assessment, if applicable: NA
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 18.60 Lakhs
- (g) Excess amount for set off, if any:

Sr. No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	18.60
(ii)	Total amount spent for the Financial Year	18.60
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

sd/-

**Sameer V. Shah**

Chairman & Managing Director

DIN: 00105721

sd/-

**Gorsi A. Parekh**

Chairperson, CSR Committee Independent Director

DIN: 00343194

Navi Mumbai

May 30, 2025

## Annexure 6

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

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

#### (A) Conservation of Energy

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

#### (B) Technology Absorption

##### (i) The efforts made towards Technology Absorption:

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

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

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

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

The details of technology imported:

The year of import:

Whether the technology has been fully absorbed:

If not fully absorbed, areas where absorption has

not taken place, and the reasons thereof:

}

NA

##### (iv) The expenditure incurred on Research & Development

(₹ in Lakhs)

Particulars	2024-25	2023-24
Revenue Expenditure	73.86	65.47
Capital Expenditure	-	-
<b>Total</b>	<b>73.86</b>	<b>65.47</b>

#### (C) Foreign Exchange Earnings and Outgo:

(₹ in Lakhs)

Particulars	2024-25	2023-24
Total Foreign Exchange Earned in terms of actual inflows	-	-
Total Foreign Exchange Outgo in terms of actual outflows	330.45	199.96

sd/-

**Sameer V. Shah**

Chairman & Managing Director

DIN: 00105721

Navi Mumbai

May 30, 2025



## REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance for the financial year ended March 31, 2025 as per Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), in the prescribed format is given below:

### Company’s Philosophy on Corporate Governance

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

The Company’s Governance Structure comprises of the Board of Directors and Committees of the Board, which function on the principles of prompt decision making, statutory compliance, accurate and timely disclosures, transparency and monitoring in order to create a value addition for its stakeholders.

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

### Board of Directors

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

The Board has 7 Directors as on March 31, 2025. The Board of Directors of the Company comprises of a fair combination of Executive (2 Directors i.e. 28.57%), Non-executive (1 Director i.e. 14.49%) and Independent Directors (4 Directors i.e. 57.14%) including a Women Director with diverse professional background complying with the provisions of Sections 149 and 152 of the Companies Act, 2013 (“the Act”) and Regulation 17 of the Listing Regulations.

None of the Directors on the Board:

- hold directorships in more than ten public companies;
- serve as director or as independent directors in more than seven listed entities; and
- who are the Executive Directors serve as independent directors in more than three listed entities.
- none of the Directors on the Board is a member on more than 10 (ten) committees and chairman of more than 5 (five) committees across all the Companies in which he / she is a director.

**a) The composition of the Board as on March 31, 2025 and details of Board and Annual General Meetings held, the attendance of the Directors, Committee Chairmanship / Directorship etc. is as follows:**

Name of the Directors	PD / NPD*	ED / NED / ID / NID*	No. of Board Meetings		Attendance at last AGM	Other Companies as on March 31, 2025				Directorship in other listed entity (Category of Directorship)
			Held	Attended		Board Directorship **	Board Chairmanship **	Committee Memberships ***	Committee Chairmanships***	
Sameer V. Shah (DIN:00105721)	PD	ED / NID	5	5	Yes	12	-	-	-	-
Nirmal V. Shah (DIN:00083853)	PD	ED / NID	5	5	Yes	13	-	1	1	-
Ashwin R. Nagarwadia (DIN:00466681)	PD	NED / NID	5	5	Yes	1	-	-	-	-
Mahendra K. Ghelani# (DIN:01108297)	NPD	NED / ID	3	3	Yes	5	-	1	-	-
Sushil U. Lakhani# (DIN:01578957)	NPD	NED / ID	3	3	Yes	3	-	1	-	-
Saraswati Sankar (DIN:07133249)##	NPD	NED / ID	5	4	Yes	1	-	-	-	-
Prakash D. Trivedi (DIN:00231288)	NPD	NED / ID	5	5	Yes	2	-	-	-	1 NED/ID
Jayesh P. Shah@ (DIN: 00138346)	NPD	NED/ ID	3	3	Yes	3	-	-	-	-
Gorsi A. Parekh \$ (DIN: 00343194)	NPD	NED/ ID	-	-	-	2	-	2	2	-
Mayank P. Shah \$ (DIN: 01655046)	NPD	NED/ ID	-	-	-	3	-	-	-	-

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

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

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

# Retired as an Independent Director of the Company w.e.f. August 8, 2024

## Retired as an Independent Director of the Company w.e.f. March 23, 2025

@ Appointed as an Independent Director of the Company w.e.f. May 25, 2024

\$ Appointed as an Additional (Independent) Director of the Company w.e.f. March 22, 2025

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

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

Dates of Board Meeting	20-Apr-24	25-May-24	26-July-24	25-Oct-24	24-Jan-25
Board Strength	7	7	8	6	6
No. of Directors Present	6	7	8	6	6

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

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

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

List of core skills / expertise identified by the Board of Directors	Name of Directors							
	Sameer V. Shah	Nirmal V. Shah	Ashwin R. Nagarwadia	Prakash D. Trivedi	Jayesh P. Shah	Saraswati Sankar	Gorsi A. Parekh	Mayank P. Shah
Business Strategy	✓	✓	✓	✓			✓	
Industry Experience	✓	✓	✓	✓				
General Management	✓	✓	✓	✓	✓	✓	✓	✓
Accounting/Auditing					✓	✓		✓
Corporate Finance					✓	✓		✓
Legal / Secretarial / Compliance						✓		
Human Resource Management	✓	✓	✓	✓		✓		
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓
Information Technology	✓	✓				✓		✓
Marketing	✓	✓	✓	✓				

**d) Separate meeting of Independent Directors**

In accordance with the provisions of Schedule IV of the Listing Regulations a separate meeting of Independent Directors was held on February 20, 2025 for transacting stipulated business. The meeting chaired by Mrs. Saraswati Sankar was attended by Dr. Prakash D. Trivedi and Mr. Jayesh P. Shah. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and the evaluation of the Members of Board.

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

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulations 16(1)(b) and 25 of the Listing Regulations and that they are independent of the Management. A formal letter of appointment to Independent Directors as provided in the Act has been issued and disclosed on the website of the Company viz. <https://chembond.in/all-policies/>.

**f) Number of Independent Directorships**

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

**g) Familiarization Programme**

During the FY 2024-25 Company organized two in-house familiarization programs for Independent Directors. The details of Familiarization Programme for Independent Directors are disclosed on the website of the Company i.e. <https://chembond.in/all-policies/>.

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

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

A brief resume of Director re-appointed along with additional information required under Regulation 36(3) of the Listing Regulations has been provided in the notice of this report.

## **i) Code of Conduct**

The Board has laid down a code of conduct for all the Members of the Board and senior management of the Company which is also posted on the Company's website at <https://chembond.in/code-of-conduct/>. All Board Members and senior management have complied with the code of conduct for the year ended March 31, 2025. The Annual Report contains a declaration to this effect signed by the Chairman and Managing Director.

## **Audit Committee**

### **A. Powers of Audit Committee:**

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

### **B. Role / Terms of Reference:**

- I. The role of the Audit Committee includes the following:
  - i. overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - ii. recommendation for appointment, remuneration and terms of appointment of auditors;
  - iii. approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
  - iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- (a) matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of Clause (c) of sub-section (3) of Section 134 of the Act;
- (b) changes, if any, in accounting policies and practices and reasons for the same;
- (c) major accounting entries involving estimates based on the exercise of judgment by management;
- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements relating to financial statements;
- (f) disclosure of any related party transactions;
- (g) modified opinion(s) in the draft audit report;
- v. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. approval or any subsequent modification of transactions of the Company with related parties;
- ix. scrutiny of inter-corporate loans and investments;



- x. valuation of undertakings or assets of the Company, wherever it is necessary;
  - xi. evaluation of internal financial controls and risk management systems;
  - xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - xiii. reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - xiv. discussion with internal auditors of any significant findings and follow up there on;
- II. The Audit Committee shall mandatorily review the following information:
- i. management discussion and analysis of financial condition and results of operations;
  - ii. management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - iii. internal audit reports relating to internal control weaknesses;
  - iv. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
  - v. statement of deviations:
    - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
    - b. annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the Listing Regulations.
- xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - xviii. to review the functioning of the whistle blower mechanism;
  - xix. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - xx. reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
  - xxi. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder;
  - xxii. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

Name of the Member	Designation	Meetings / Attendance				
		20-Apr-24	25-May-24	26-July-24	25-Oct-24	24-Jan-25
Mahendra K. Ghelani#	Chairman	P	P	P	-	-
Sushil U. Lakhani##	Member	P	P	P	-	-
Saraswati Sankar\$	Chairperson / Member	A	P	P	P	P
Nirmal V. Shah\$\$	Member	P	P	P	P	P
Jayesh P. Shah*	Chairman /Member	-	-	-	P	P
Mayank P. Shah@	Member	-	-	-	-	-
Sameer V. Shah@	Member	-	-	-	-	-

P – Present, A - Absent

The Auditors, Internal Auditors, Managing Directors, concerned executives and Chief Financial Officer are invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Committee.

Mr. Mahendra K. Ghelani, Chairman of the Audit Committee attended the 49<sup>th</sup> AGM of the Company held on August 7, 2024.

# Ceased to be Chairman / Member of the Committee w.e.f. August 8, 2024 consequent upon completion of his term as an Independent Director.

## Ceased to be Member of the Committee w.e.f. August 8, 2024 consequent upon completion of his second term as an Independent Director

\$ Appointed as a Chairperson of the Audit Committee w.e.f. August 8, 2024 and ceased to be Chairperson & Member of the Committee effective from March 22, 2025.

\$\$ Ceased to be a Member of the Committee w.e.f. March 22, 2025

\* Appointed as a Member of the Committee w.e.f. August 8, 2024 and as the Chairman of the Committee w.e.f. March 22, 2025.

@ Appointed as a Member of the Committee w.e.f. March 22, 2025

**Nomination and Remuneration Committee**
**a. Role / Terms of Reference:**

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel (KMP) and other Employees;
- ii. For appointment of Independent Director evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- iii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iv. Devising a policy on diversity of Board of Directors;
- v. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

- vi. Whether to extend or continue the term of appointment of the Independent Director, based on the report of performance evaluation of Independent Directors;
- vii. Providing of the following information to the shareholders in case of appointment of new Director or reappointment of a Director:
  - a. Brief resume of the Director;
  - b. Nature of expertise in specific functional areas;
  - c. Disclosure of relationships between Directors inter-se;
  - d. Names of listed entities in which the person also holds the Directorship and the Membership of Committees of the Board; and
  - e. Shareholding of Non-executive Directors.
- viii. Providing of General Shareholder Information in the Annual Report;
- ix. Review of HR Policies / Initiatives & senior level appointments;
- x. Administer and supervise Employees Stock Option Schemes including allotment of shares arising out of conversion of Employee Stock Option Scheme(s) or under any other Employee Compensation Scheme;
- xi. Frame suitable Policies and systems for implementation, take appropriate decisions and monitor implementation of the following Regulations:
  - a. SEBI (Prohibition of Insider Trading) Regulations, 2015; and
  - b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- xii. Recommend to the Board, all remuneration, in whatever form, payable to senior management and
- xiii. Perform such other functions consistent with regulatory requirements.

**b. Composition of Nomination and Remuneration Committee (NRC) as on March 31, 2025 and Attendance of Members:**

Name of the Member	Designation	No. of meetings attended		
		25-May-24	24-Jan-25	21-Mar-25
Mahendra K. Ghelani#	Chairman	P	-	-
Ashwin R. Nagarwadia	Member	P	P	P
Sushil U. Lakhani##	Member	P	-	-
Saraswati Sankar*	Chairperson / Member	P	P	P
Sameer V. Shah\$	Member	P	-	-
Prakash D. Trivedi	Member	P	P	P
Gorsi Parekh^	Chairperson	-	-	-
Jayesh P. Shah@	Member	-	-	-

P – Present, A – Absent

Mr. Mahendra K. Ghelani, Chairman of the NRC attended the 49<sup>th</sup> AGM of the Company held on August 7, 2024.

# Ceased to be Chairman & Member of the Committee w.e.f. August 8, 2024 consequent upon completion of his term as an Independent Director

## Ceased to be Member of the Committee w.e.f. August 8, 2024 consequent upon completion of his term as an Independent Director

\* Appointed as a Chairperson of the Committee w.e.f. August 8, 2024 and Ceased to be Chairperson & Member w.e.f. March 22, 2025.

\$ Ceased to be a Member of the Committee w.e.f. August 8, 2024

^ Appointed as a Chairperson and Member of the Committee w.e.f. March 22, 2025

@ Appointed as a Member of the Committee w.e.f. March 22, 2025

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

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

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

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

expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

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

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

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

**e. Remuneration of Directors:**

(₹ in lakhs)

Name of Director	Basic	Perquisites / Allowances	Bonus	Incentive / Commission	Sitting Fees	Total	Service Contract / Notice Period / Severance Fees / Pension	No. of shares held as on 31.03.2025
<b>a. Executive Directors</b>								
Sameer V. Shah	45.72	56.51	9.14	27.25	NA	138.62 <sup>^</sup>	Not liable to retire by rotation	17,00,144
<b>b. Non-executive Directors</b>								
Ashwin R. Nagarwadia**	-	-	-	2.50	4.40	6.90	Retirement by rotation	5,00,000
Mahendra K. Ghelani#	-	-	-	3.00	3.50	6.50	\$	-
Sushil U. Lakhani#	-	-	-	2.00	3.10	5.10	\$	-
Saraswati Sankar*	-	-	-	1.00	2.70	3.70	\$	-
Prakash D. Trivedi *	-	-	-	1.50	2.70	4.20	\$	-
Jayesh P. Shah##	-	-	-	-	1.40	1.40	\$	-
Gorsi A. Parekh@	-	-	-	-	NA	-	\$	-
Mayank P. Shah@	-	-	-	-	NA	-	\$	-

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

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

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

# Are also paid sitting fees /commission from subsidiary companies where they hold Directorship. (Commission approved by subsidiaries, if any, where they hold Directorship will be paid in current year i.e. FY 2024-25.) Retired as an Independent Director of the Company w.e.f. August 8, 2024

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

## Appointed as an Independent Director w.e.f. May 25, 2024

@ Appointed as an Additional Independent Director w.e.f. March 22, 2025



## Note:

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

## f. Remuneration Policy

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

### A. Remuneration Process:

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

### B. Executive Directors:

- Remuneration to Executive Directors are governed as per the provisions of the Act, and the Rules made thereunder and the approvals obtained from the Members of the Company. Remuneration to Chairman and Managing Director is in accordance with the agreement entered with him.

### C. Non-executive Directors:

- Criteria for making payments to Non-executive Directors is disseminated on the website of the Company at <https://chembond.in/all-policies/>.
- Sitting fee, reimbursement of expenses and profit related commission:

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

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

- Stock Options:

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

## g. Stakeholders' Relationship Committee

The composition of the Committee and the attendance details of the Members for the year ended March 31, 2025, are given below:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mahendra K. Ghelani#	Chairman	2	2
Ashwin R. Nagarwadia	Member	2	2
Sameer V. Shah	Member	4	4
Nirmal V. Shah##	Member	2	2
Prakash D. Trivedi\$	Chairman /Member	2	2
Saraswati Sankar*	Member	2	2
Jayesh P. Shah^	Chairman /Member	-	-
Mayank P. Shah@	Member	-	-

#Mr. Mahendra K. Ghelani, Chairman of the Stakeholders' Relationship Committee attended the 49<sup>th</sup> AGM of the Company held on August 7, 2024.

#Ceased to be Chairperson & Member of the Committee w.e.f. August 8, 2024 consequent upon completion of his term as an Independent Director

## Ceased to be a Member of the Committee w.e.f. August 8, 2024

\$ Appointed as a Chairman and Member of the Committee w.e.f. August 8, 2024

\*Appointed as member of the Committee w.e.f. August 8, 2024 and ceased to be a Member w.e.f. March 22, 2025

^ Appointed as a Chairman and member of the Committee w.e.f. March 22, 2025

@ Appointed as a Member of the Committee w.e.f. March 22, 2025

The Committee deals with matters relating to transfer / transmission of shares, issue of duplicate share certificates, review of shares dematerialized and matters relating to transfer of shares to IEPF account of the Government. Mrs. Suchita H. Singh, Company Secretary & Compliance Officer is responsible for

coordinating all such matters and those relating to share transfer and shareholders grievances with the Registrar and Transfer Agent.

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

This e-mail id is displayed on the Company's website i.e., <https://chembond.in/investor-grievance/>.

As on March 31, 2025, the Company did not have any complaints pending for resolution on the online redressal portal of SEBI i.e., SCORES. During the year, the Company did not receive any shareholder complaints.

#### h. Other Committees

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

The Composition of CSR Committee is as detailed below:

Name of the Member	Designation	No. of Meetings held	No. of meetings attended
Nirmal V. Shah^	Chairman	2	2
Ashwin R. Nagarwadia	Member	2	2
Sushil U. Lakhani#	Member	2	1
Sameer V. Shah	Member	2	2
Mahendra K. Ghelani#	Member	2	2
Prakash D. Trivedi*	Member	1	1
Mayank P. Shah@	Member	-	-
Gorsi A. Parekh\$	Chairperson/ Member	-	-

^ Ceased to be the Chairman & Member of the Committee w.e.f. March 22, 2025

# Ceased to be the Member of the Committee w.e.f. August 8, 2024, consequent upon completion of his second term as an Independent Director

\* Appointed as a Member of the Committee w.e.f. August 8, 2024

@ Appointed as a Member of the Committee w.e.f. March 22, 2025

\$ Appointed as a Chairperson and Member of the Committee w.e.f. March 22, 2025

The CSR Committee has the power to frame the CSR policy and review it from time to time, to ensure effective implementation and monitoring of the CSR activities

as per the approved policy, plans & budget, to ensure compliance with the Company Law, Rules & Regulations governing the CSR.

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

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

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

##### b. Composition as on March 31, 2025 of Risk Management Committee and Attendance of Members:

Name of the Member	Designation	Meetings/Attendance	
		24-Jan-25	21-Mar-25
Sameer V. Shah	Chairman	P	P
Ashwin R. Nagarwadia	Member	A	P
Mahendra K. Ghelani#	Member	A	A
Sushil U. Lakhani#	Member	A	A
Jayesh P. Shah*	Member	P	P

# ceased to be a Member of the Committee w.e.f. August 8, 2024 consequent upon completion of second term as an Independent Director

\* Appointed as Member of the Committee w.e.f. August 8, 2024

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

The composition of Executive Committee is as detailed below:

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

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

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

The composition of Investment Committee is as detailed below:

Name of the Member	Designation	No. of meetings held	No. of meetings attended
Sameer V. Shah	Chairman	6	6
Ashwin R. Nagarwadia	Member	6	4
Mahendra K. Ghelani#	Member	6	3
Nirmal V. Shah	Member	6	6
Sushil U. Lakhani#	Member	6	3

# Retired as an Independent Director of the Company w.e.f. August 8, 2024 consequent upon completion of second term of appointment as an Independent Director

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

#### General Body Meetings

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

YEAR	AGM / EGM	LOCATION	DATE	TIME	SPECIAL RESOLUTION(S) PASSED
2022	AGM	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	05.08.2022	3.30 p.m.	1) Re-appointment of Mr. Sameer V. Shah (DIN:00105721) as the Chairman and Managing Director of the Company. 2) Re-appointment of Mr. Nirmal V. Shah (DIN:00083853) as the Vice Chairman and Managing Director of the Company.
2023	AGM		19.08.2023	10.30 a.m.	1) To approve continuation of Directorship of Mr. Ashwin R. Nagarwadia (DIN:00466681) beyond the age of seventy-five years as a Non-executive Director 2) To approve payment of Commission to Non-executive Directors of the Company for a period of 5 years commencing from April 1, 2023
2024	AGM		07.08.2024	11.00 a.m.	1) Appointment of Mr. Jayesh P. Shah (DIN:00138346) as a Director and an Independent Director
2024	NCLT convened Meeting of the Equity Shareholders		06.12.2024	11.00 a.m.	1) Approval of Composite Scheme of Arrangement between Chembond Chemicals Limited (Demerged Company/ Transferee Company), Chembond Chemical Specialties Limited (Resulting Company), Chembond Clean Water Technologies Limited (Transferor Company No. 1), Chembond Material Technologies Private Limited (Transferor Company No. 2), Phiroze Sethna Private Limited (Transferor Company No. 3) and Gramos Chemicals (India) Private Limited (Transferor Company No. 4) and their respective shareholders under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder ("Scheme")

#### Whistle Blower Policy

The Company has adopted Whistle Blower Policy as part of Vigil Mechanism and is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Vigil Mechanism & Whistle Blower Policy encourages its employees to bring to the attention of the management any concerns about suspected misconduct and express these concerns without fear of punishment or unfair treatment. It provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policies. The Audit Committee of the Company oversees the vigil mechanism / whistle blower policy. The policy on vigil mechanism & whistle blower policy can be accessed on the Company's website <https://chembond.in/all-policies/>.

#### Subsidiary, Step Down Subsidiary and Associate Companies

The Company has one subsidiary, namely Chembond Biosciences Limited.

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

### Means of Communication

#### a. Quarterly Financial Results

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

#### b. Publication of Quarterly Financial Results

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

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

No presentation was made during the year to institutional investors or analysts. However, the Company uploads a performance presentation on a quarterly basis post Board Meetings on its website.

#### d. Website where displayed

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

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

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

### ➤ General Shareholders Information

a.	Corporate Identification Number (CIN)	L24100MH1975PLC018235	
b.	Date, Time & Venue of Annual General Meeting (AGM).	<b>Thursday, August 14, 2025 at 3.00 p.m.</b> The Company is conducting meeting through VC / OAVM pursuant to the MCA circulars, hence there is no requirement to have a venue for the AGM. For more details please refer to the Notice of this AGM.	
c.	Financial Year	April 1, 2024 to March 31, 2025	
d.	Financial Calendar for 2025-2026 (tentative & subject to change)	Financial Reporting for the quarter ending 30.06.2025 on or before 14 <sup>th</sup> August, 2025 30.09.2025 on or before 14 <sup>th</sup> November, 2025 31.12.2025 on or before 14 <sup>th</sup> February, 2026 31.03.2026 on or before 30 <sup>th</sup> May, 2026	
e.	Dividend Payment date	Final dividend, if declared shall be paid / credited on or after August 19, 2025	
f.	Listing on Stock Exchange	BSE Limited & National Stock Exchange of India Limited	
	Stock Exchange Address	BSE Limited P.J. Towers, Dalal Street, Fort, Mumbai – 400 001	National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Mumbai - 400051
	ISIN	INE995D01025	
	Confirmation about payment of Annual Listing fee to Stock Exchanges	Listing fees paid for FY 2025-26	



I	Registrar and Share Transfer Agent	MUFG Intime India Private Limited (formerly Link Intime India Private Limited) ( ) C-101, 1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400 083. E-mail : <a href="mailto:csg-unit@in.mpms.mufg.com">csg-unit@in.mpms.mufg.com</a> Web : <a href="https://web.in.mpms.mufg.com">https://web.in.mpms.mufg.com</a>
J	Share Transfer System	Registrar and Transfer Agent carry out share transfer activities. Share transfers are processed and the share certificates duly endorsed are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respect. As mandated by SEBI, shares of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.
K	Disclosure for securities that are suspended from trading	None of the securities of the Company were suspended from trading during the FY 2024-2025.

**Distribution of shareholding as on March 31, 2025**

Distribution of shares according to size of holding

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding
1 – 500	12,144	91.85	1,011,680	7.52
501 – 1000	566	4.28	438,993	3.26
1001 – 2000	219	1.66	332,982	2.48
2001 – 3000	84	0.64	212,216	1.58
3001- 4000	46	0.35	164,640	1.22
4001 – 5000	21	0.16	96,527	0.72
5001 – 10000	60	0.45	422,907	3.14
10001 & above	82	0.62	10,768,343	80.07
<b>Total</b>	<b>13,222</b>	<b>100.00</b>	<b>13,448,288</b>	<b>100.00</b>

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

Category of Shareholding as of March 31, 2025	No. of Shares	% of total shares
Promoters & their relatives	90,97,869	67.65
Banks/ FIs/Insurance Co. (Central/ State Govt./ Non- Govt. Institutions)	47,600	0.35
Corporate Bodies	5,01,599	3.73
NRIs/OCBs	1,26,794	0.94
IEPF Account	42,764	0.32
FPI-CORPS	82,182	0.61
Indian Public	35,49,480	26.39
<b>Total</b>	<b>13,448,288</b>	<b>100.00</b>

**Top 10 Shareholders as on March 31, 2025:**

Sr. No.	Name of the Shareholder	Category	No. of Shares	% of shareholding
1.	Ajay Chinubhai laloo	Individual	2,74,259	2.04
2.	Amit Ashok Thawani	Individual	1,35,033	1.00
3.	Acadian Emerging Markets Micro-Cap Equity Master Fund	Foreign Portfolio Investor	82,140	0.61
4.	Ashok J Thawani	LLP	65,195	0.48
5.	Pegasus Growth Fund 1	Alternate Investment Funds – III	54,000	0.40
6.	Awriga Capital Advisors LLP	Foreign Portfolio Investor	53,262	0.40
7.	Dena Bank	Financial Institution	47,600	0.35
8.	Shepherd’S Hill Private Investment Fund	Alternate Investment Fund	45,234	0.34
9.	Manish Arvind Parikh HUF	HUF	42,930	0.32
10.	Vrushal Trading Private Limited	Company	41,300	0.31

Dematerialization of shares and liquidity	The shares of the Company are actively traded on BSE and NSE. Trading of shares is permitted only in dematerialized form. As of March 31, 2025, 1,33,23,824 equity shares are held in Demat form i.e. 99.07% of the total share capital.
Details about the outstanding Global Depository receipts or American Depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any ADR / GDR.
Commodity price risk or foreign exchange risk and hedging activities	The Company does not deal with commodities. During the year ended March 31, 2025, the Company had managed the foreign exchange risk to the extent considered necessary. The details of foreign currency exposure are disclosed in Notes to the Standalone and Consolidated financial statements.
Plant Locations	1) Plot No. E-6/3 & 4, MIDC Tarapur, Maharashtra. 2) W-268, TTC Area, MIDC, Rabale, Navi Mumbai, Maharashtra 3) Unit 2, Gat no. 226, Alandi Markal Road, Pune, Maharashtra. 4) A-737/5, MIDC, Mahape, Navi Mumbai, Maharashtra.

Address of Correspondence	Chembond Material Technologies Limited (formerly Chembond Chemicals Limited) Chembond Centre, EL-71, MIDC, Mahape, Navi Mumbai 400 710. Tel: 022 6264 3000 Fax: 022 2768 1294 website: <a href="http://www.chembond.in">www.chembond.in</a> Email for Investor Grievance: <a href="mailto:cs@chembond.in">cs@chembond.in</a>
Credit Ratings	Total Bank Loan – 12 Crore Long term Rating – CRISIL BBB+/Watch Negative (Placed on 'Rating Watch with Negative Implications') Short term Rating – CRISIL A2/Watch Negative (Placed on 'Rating Watch with Negative Implications')

### Other Disclosures

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

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

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

There was no such instance in the last 3 years.

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

The Company has adopted Vigil Mechanism & Whistle Blower Policy and the same is available on the website of the Company i.e. <https://chembond.in/all-policies/>

[chembond.in/all-policies/](https://chembond.in/all-policies/) During the year there were no instances and no personnel have been denied access to the Audit Committee.

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

The Company confirms that it has complied with all mandatory requirements prescribed in the Listing Regulations for the FY 2024-25. Also, pursuant to the provisions of Regulation 34(3) of the Listing Regulations read with Part B of Schedule II to the Listing Regulations, the Chairman and Managing Director and the Chief Financial Officer (CFO) have issued a certificate to the Board for the year ended March 31, 2025.

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

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

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

The Company does not deal with commodities during the year ended March 31, 2025.

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

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

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

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

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

No such instance occurred.

- j. **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

S H B A & CO LLP (Statutory Auditor) were paid ₹16.26 lakhs for F.Y. 2024-25 (including fees for other service) and ₹1.76 lakhs for F.Y. 2024-25 to M/s. Kastury & Talati, Chartered Accountants (Statutory Auditor) from one (1) subsidiary Company.

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

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

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

NA

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

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

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

### **Discretionary Requirements**

- The Board
  - The Board has an Executive Chairman and his office with required facilities is provided and maintained by the Company.
  - Company has One Independent Woman Director on its Board.

#### **ii) Shareholders Rights**

Financial Results for the half year / quarter ended September 30, 2024, were published in Business Standard and Pratahkal newspapers and were also displayed on the website of the Company [www.chembond.in](http://www.chembond.in) and disseminated to BSE and NSE where its equity shares are listed, hence separately not circulated to shareholders.

#### **iii) Audit Qualifications**

There is no audit qualification.

#### **iv) Reporting of Internal Auditors**

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

### **Legal Proceedings**

Davendra Feeds India Private Limited has lodged an F.I.R in June 2022 with police station Safidon District

Jind Haryana against Chembond Material Technologies Limited (formely Chembond Chemicals Limited) Mr. Sameer Shah (Chairman & Managing Director) and 3 other current & ex-employees, with respect to alleged damage caused by alleged inferior quality of Products supplied in the year 2018-19. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is being currently considered by the Competent Authorities and Courts.

Rajkumar Mor of Mor Hatcheries has lodged an F.I.R. in January 2023 with police station Pillukhera District Jind Haryana against one of our Distributors in Haryana and Mr. Sameer Shah (Managing Director in Chembond Biosciences Limited), regarding alleged defective supply of vitamin premix. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is currently being considered by the Competent Authorities and Courts.

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

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

Neither the Company nor any of the subsidiaries have given loan to any firms / companies in which Directors are interested.

**Unpaid / Unclaimed Dividend**

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

Dividend Particulars	Rate ₹	Date of Declaration	Due Date for Transfer to IEPF
FY 2017 – 18	1.85	11/08/2018	10/09/2025
FY 2018 – 19	2.00	03/08/2019	02/09/2026
FY 2019 – 20 (Interim)	2.00	05/03/2020	04/04/2027
FY 2020 – 21	2.25	23/07/2021	22/08/2028
FY 2021 – 22	5.00	05/08/2022	04/09/2029
FY 2022 – 23	3.00	19/08/2023	18/09/2030
FY 2023 – 24	3.50	07/08/2024	06/09/2031

**19. Equity Shares in Suspense Account**

There are no equity shares in Suspense account.



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

**To,**

The Members of

**Chembond Material Technologies Limited**

(formerly known as Chembond Chemicals Limited)

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2025 have been disqualified from being appointed or continuing as Directors of Companies by the SEBI Securities and Exchange Board of India and Ministry of Corporate Affairs.

Sr. No.	Name of the Director	DIN	Date of Appointment at current Designation	Original Date of Appointment
1	Nirmal Vinod Shah	00083853	28/07/2012	10/01/2000
2	Sameer Vinod Shah	00105721	18/08/2007	10/01/2000
3	Ashwin Ratilal Nagarwadia	00466681	10/05/1994	10/05/1994
4	Prakash Druman Trivedi	00231288	08/08/2015	21/05/2015
5	Jayesh Prabhulal Shah	00138346	07/08/2024	25/05/2024
6	Gorsi Atul Parekh	00343194	22/03/2025	27/05/2025
7	Mayank Pradyumna Shah	01655046	22/03/2025	27/05/2025

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

**Date: 31<sup>st</sup> May, 2025**

**Place: Mumbai**

**UDIN: A001157G000519433**

**sd/-**

**Virendra G. Bhatt**

**Practicing Company Secretary**

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

**Peer Review Cert. No.: 6489/ 2025**



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

As required under Schedule V(D) of the Listing Regulations, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Board of Directors and the Senior Management for the year ended March 31, 2025.

**For Chembond Material Technologies Limited**  
(formerly Chembond Chemicals Limited)

sd/-

**Place: Navi Mumbai**  
**Date: May 30, 2025**

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

## **CEO/CFO CERTIFICATION**

Certification by Managing Director & CEO and Chief Financial Officer in respect of Financial Statements and Cash Flow Statement (pursuant to regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 for the Financial Year ended 31<sup>st</sup> March 2025.

To,  
The Board of Directors,  
Chembond Material Technologies Limited  
(formerly Chembond Chemicals Limited)  
Navi Mumbai

- A. We hereby certify that, we have reviewed the financial statements and the Cash Flow Statement for the quarter and year ended March 31, 2025 and that to the best of our knowledge and belief:-
- i. These statements do not contain any material, untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered by the Company during the quarter and year ended March 31, 2025, which are fraudulent, illegal or violating the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee that:
- (i) there have been no significant changes in internal control over financial reporting during the quarter;
- (ii) that there have been no Significant changes in accounting policies during the quarter; and
- (iii) that there have been no instances of significant fraud, of which we have become aware, the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

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

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

Place: Navi Mumbai  
Date: May 30, 2025

## INDEPENDENT AUDITOR'S REPORT

### Chembond Material Technologies Limited

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

##### Opinion

We have audited the Standalone financial statements of Chembond Material Technologies Limited ("the Company") (formerly known as Chembond Chemicals Limited), which comprise the standalone Balance Sheet as at 31st March 2025, the standalone statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity, the standalone statement of cash flows for the year then ended and notes to the Standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2025, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date

##### Basis for Opinion

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

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

##### Emphasis of Matter

We draw attention to Note 49 & 50 to the financial statement, regarding the Composite Scheme of Arrangement for amalgamation and demerger (the "Scheme") whereby Chembond Material Technologies Private Limited (CMTPL), Phiroze Sethna Private Limited (PSPL) and Gramos Chemicals India Private Limited (GCIPL) amalgamated with the Company and "Construction Chemicals and Water Technologies chemicals" business was demerged from the Company to Chembond Chemical Specialties Limited as on the appointed date of 1st April, 2024. The Hon'ble National Company Law Tribunal (the NCLT) has approved the Scheme vide its Order dated 7th April 2025 and the said Order was filed with the Ministry of Corporate Affairs (MCA) by the Company and other companies involved in the Scheme on various dates as reported in Note 50 to the Standalone Financial Statements.

In accordance with the Scheme approved by the NCLT, the Company has given effect to the scheme from the appointed date specified therein i.e. 1st April 2024, and accordingly, as required under IND AS - 103 the comparative financial information of the Company forming part of the Statement for the year beginning from 1st April, 2023 has been restated.

Our report is not modified in respect of the above matter.

##### Key Audit Matters

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

Key Audit Matters	How our audit addressed the key audit matter
<p><b>1.Composite Scheme of Arrangement:</b></p> <p><b>Accounting for the effects of the composite scheme of arrangement in respect of merger &amp; subsequent demerger:</b></p> <p>(Refer to the accounting policies in Note 49 and Note 50 in the Standalone financial statements)</p> <p>The company has entered in a Composite scheme of Arrangement (“the Scheme”) for merger of Chembond Material Technologies Private Limited (CMTPL), Phiroze Sethna Private Limited (PSPL), and Gramos Chemicals India Private Limited (GCIPL) and subsequent demerger of “Construction Chemicals and Water Technologies chemicals” business to Chembond Chemicals Specialties Limited (CCSL). The Scheme has been approved by the National Company Law Tribunal Mumbai Bench (NCLT) vide Order dated 07th April, 2025 This is a key audit matter as the scheme has a pervasive impact on the Standalone financial statements of the company.</p> <p>The Company has accounted for merger and demerger in its books as per the Composite Scheme of arrangement as approved by the NCLT.</p> <p><b>2. Contingent liabilities</b></p> <p>The Company has disclosed in note no. 41 to the standalone financial statements the contingent liabilities as at 31 March, 2025 which includes disputed liabilities in respect of income tax, service tax matters, GST demand and a case lodged against the Company with respect to inferior quality of products.</p> <p>These involve a high degree of judgement to determine the possible outcomes and estimates relating to the timing and the amount of outflows of resources embodying economic benefits</p>	<p>a) Obtained and reviewed the documents filed by the Company with the Registrar of Companies, including the Order of the Hon’ble NCLT, Mumbai Bench, approving the Composite Scheme of Arrangement.</p> <p>b) Read and obtained an understanding of the Composite Scheme of Arrangement approved by the National Company Law Tribunal.</p> <p>c) Tested the management-prepared workings relating to the merger and demerger, including the restatement of comparative figures for the previous year, in accordance with the pooling of interest method as prescribed under Appendix C of Ind AS 103.</p> <p>d) Obtained and reviewed the report issued by merchant banker opining on the fair share entitlement ratio</p> <p>e) Verified the workings for the transfer of assets and liabilities pertaining to the demerged undertakings, ensuring consistency with the approved Scheme, applicable accounting standards and Standalone financial statements of the Company.</p> <p>f) Evaluated the accounting treatment adopted by the Company in respect of the Scheme for compliance with the requirements of Ind AS 103 and other relevant Indian Accounting Standards.</p> <p>g) Assessed the adequacy and appropriateness of disclosures made in the standalone Ind AS Standalone financial statements to ensure compliance with applicable presentation and disclosure requirements.</p> <p>h) Evaluated the design and tested the operating effectiveness of the controls over the accounting for business combination.</p>

### Information Other than the Standalone financial statements and Auditor’s Report Thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

**Responsibilities of management and Those Charged with Governance for the Standalone financial statements**

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

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

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit

conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the standalone financial statements of the company to express an opinion on the standalone financial statements.

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on

the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. Further to our comments in Annexure A, as required by Section 143 (3) of the Act, we report that
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law relating to preparation of the Standalone financial statements have been kept by the Company so far as it appears from our examination of those books except for the matters stated in 3(vi) below.
  - c. The standalone Balance Sheet, the standalone statement of Profit and Loss (including Other Comprehensive Income), the standalone statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these standalone financial statements;
  - d. In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31st March, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025, from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in paragraph 2(b) above on reporting under section 143(3)(b) of the Act and paragraph 3(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in

our opinion and to the best of our information and according to the explanations given to us:

- i. The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements refer note. 41 of the standalone financial statements.
- ii. The Company does not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief as disclosed in note no. 46(c), no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(entities), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.
- b) The management has represented that to the best of its knowledge and belief as disclosed in note no. 46(d), no funds have been received by the Company from any person(s) or entity(entities), including foreign entities ("Funding Parties"), with the Understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us

believe that management representations under sub-clause (a) and (b) above contain any material misstatement.

- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. Based on our examination which included test checks, the Company has used accounting software, a payroll application and employee reimbursement for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software / application. However, audit trail feature is not enabled at the database level for accounting software to log any direct data changes as described in note no. 48 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 and the audit trail has been preserved in accordance with the requirements of section 128(5) of the Companies Act, 2013 for record retention.

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

In our opinion and according to the information and explanations given to us, the Company has paid and / or provided remuneration to its directors during the year ended 31st March, 2025 in accordance with the provisions of Section 197 of the Act.

For **S H B A & C O L L P**

**(Formerly known as Bathiya & Associates LLP)**

Chartered Accountants

Firm Registration No. 101046W / W100063

**Jatin A. Thakkar**

Partner

Membership No.: 134767

UDIN: 25134767BMJEUZ3845

Place: Mumbai

Date: 30<sup>th</sup> May 2025

## Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31st March, 2025)

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

- (i) Pursuant to the composite scheme of arrangement between the Company, other companies involved in the Scheme as mentioned above and their respective shareholders and creditors, Property, Plant and Equipment having net block of Rs. 1,673.97 Lakhs and Intangible Assets having net block of Rs. 38.86 Lakhs were transferred to Chembond Chemicals Specialties Limited with effect from the appointed date of 1st April 2024.
  - (a) [A] The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - [B] The Company has maintained proper records showing full particulars of Intangible assets.
  - (b) The Company has a regular program of physical verification of its property, plant and equipment, under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
  - (c) Pursuant to the composite scheme of arrangement, the Company is in the process of transferring the title deeds and lease agreements of the immovable properties in the name of the Company.
  - (d) The Company has not revalued its property, plant and equipment and intangible assets during the year.
  - (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) Pursuant to the composite scheme of arrangement between the Company, other companies involved in the Scheme as mentioned above and their respective shareholders and creditors, Inventories of Rs. 481.24 Lakhs were transferred to Chembond Chemicals Specialties Limited with effect from the appointed date of 1st April 2024.
  - (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
  - (b) The Company has a working capital limit in excess of 500.00 lakhs sanctioned by a bank based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such bank and such statements are in agreement with the books of account of the Company for the respective periods as reported in note no. 47 of the standalone financial statements.
- (iii) Pursuant to the Composite Scheme of Arrangement, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, reporting under clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the company.
- (iv) Pursuant to the Composite Scheme of Arrangement, In our opinion and according to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security given for the year under report.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

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

(vii) (a) As per the information and explanations given to us, undisputed statutory dues including provident fund, employees' state insurance, income tax, professional tax, Goods and Service Tax, custom duty, cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been delays in deposit in a few cases which are not serious. Further, there are no undisputed amounts payable in respect of above-mentioned statutory dues which were in arrears, as at 31st March, 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, Goods and Service Tax, custom duty, excise duty and cess, which have not been deposited on account of any dispute except in the case of the following disputes which are pending:

Name of statute	Nature of the Dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	14.39	FY 2006-07, FY 2014-15 FY 2019-20	Commissioner of Income Tax (Appeals)
Finance Act, 1994 (Service Tax)	Service Tax & Cess	259.42	FY 2014-15 to FY 2017-18 (Up to June 2017)	Dy. Commissioner (Audit)
Income Tax (TDS)	TDS defaults	6.21	FY 2007-08 to FY 2024-25	Assistant Commissioner of Income Tax, CPC-TDS
The Central Goods and Services Tax Act, 2017	GST Demand	178.48	FY 2023-24	Deputy Commissioner of State Tax, Maharashtra
Income Tax Act, 1961	Demands pending for rectification	412.13	FY 2007-08, FY 2008-09, FY 2013-14, FY 2014-15, FY 2017-18, FY 2023-24	Assistant Commissioner of Income Tax Circle 6(2)(1), Central Processing Center Bengaluru
<b>TOTAL</b>		<b>870.63</b>		

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

(ix) (a) According to the information and explanations given to us, the Company has not taken any loan, hence the disclosure of default in repayment of its loans or borrowings or in the payment of interest thereon to any lender is not applicable.

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

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

(d) On an overall examination of the Standalone Financial Statement of the Company, Funds raised on short-term basis have, not been used during the year for Long-term purposes by the Company.

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

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

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

- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) a) In our opinion and according to the information given to us, the Company has an internal audit system as required under Section 138 of the Act which is commensurate with the size and nature of its business.
- b) We have considered the reports issued by the Internal Auditors of the Company till the date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the plans of the Board of Directors and management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of



the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the company as and when they fall due.

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

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

For **S H B A & CO LLP**

**(Formerly known as Bathiya & Associates LLP)**

Chartered Accountants

Firm Registration No. 101046W / W100063

**Jatin A. Thakkar**

Partner

Membership No.: 134767

UDIN: 25134767BMJEUZ3845

Place: Mumbai

Date: 30<sup>th</sup> May 2025

## Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31<sup>st</sup> March 2025)

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

We have audited the internal financial controls over financial reporting of Chembond Material Technologies Limited ("the Company") as of 31<sup>st</sup> March, 2025 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

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

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

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

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **S H B A & CO LLP**

**(Formerly known as Bathiya & Associates LLP)**

Chartered Accountants

Firm Registration No. 101046W / W100063

**Jatin A. Thakkar**

Partner

Membership No.: 134767

UDIN: 25134767BMJEUZ3845

Place: Mumbai

Date: 30<sup>th</sup> May 2025

## Standalone Balance Sheet as at 31<sup>st</sup> March, 2025

	Notes	As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
<b>Assets</b>			
<b>1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	3,302.11	2,533.03
(b) Capital work-in-progress	2	750.56	1,334.38
(c) Other Intangible assets	2	28.17	35.94
(d) Financial Assets			
i) Investments	3	5,122.96	4,429.83
ii) Other financial assets	4	235.85	23.18
(e) Deferred tax Asset (Net)	5	259.00	128.86
(f) Income tax asset (net)	6	463.54	529.25
(g) Other non-current assets	7	0.02	0.16
<b>Total Non-current assets</b>		<b>10,162.21</b>	<b>9,014.63</b>
<b>2) Current Assets</b>			
(a) Inventories	8	1,478.62	1,312.01
(b) Financial Assets			
i) Investments	9	2,849.82	2,225.98
ii) Trade receivables	10	4,084.83	4,869.72
iii) Cash and cash equivalents	11	566.15	305.52
iv) Bank balances other than (iii) above	12	752.58	948.12
v) Loans	13	0.25	-
vi) Other financial assets	14	54.84	40.21
(c) Other current assets	15	231.14	172.14
<b>Total current assets</b>		<b>10,018.22</b>	<b>9,873.70</b>
<b>Total Assets</b>	<b>Total</b>	<b>20,180.43</b>	<b>18,888.33</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	16	672.41	672.41
(b) Other equity	17	15,728.11	14,471.00
<b>Total Equity</b>		<b>16,400.52</b>	<b>15,143.41</b>
<b>Liabilities</b>			
<b>1) Non-Current Liabilities</b>			
(a) Provisions	18	7.34	12.47
<b>Total Non-current liabilities</b>		<b>7.34</b>	<b>12.47</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	19	-	83.91
ii) Trade payables			-
Total outstanding dues of micro enterprises and small enterprises	20	293.77	290.73
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	2,761.88	2,636.48
iii) Other financial liabilities	21	19.14	16.51
(b) Other current liabilities	22	675.05	694.19
(c) Provisions	23	22.72	10.62
<b>Total current liabilities</b>		<b>3,772.57</b>	<b>3,732.45</b>
<b>Total Equity &amp; Liabilities</b>		<b>20,180.43</b>	<b>18,888.33</b>
Material Accounting Policies, key accounting estimates and judgements and notes on financial statements.	1-54		

As per our attached report of even date

On behalf of the Board of Directors

**For S H B A & CO LLP**  
(Formerly known as Bathiya & Associates LLP)  
Chartered Accountants  
FRN - 101046W/W100063

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

**Jayesh Shah**  
Director  
DIN: 00138346

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767

**Rashmi S. Gavli**  
Chief Financial Officer

**Suchita Singh**  
Company Secretary

Mumbai, 30th May 2025

Mumbai, 30th May 2025

## Standalone Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2025

	Notes	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
Revenue From Operations	24	17,120.70	15,334.04
Other Income	25	719.97	1,405.08
<b>Total Income</b>		<b>17,840.67</b>	<b>16,739.12</b>
<b>Expenses :</b>			
Cost of Materials Consumed	26	9,931.25	9,709.59
Changes in Inventories of Finished goods and WIP	27	(71.06)	(549.24)
Employee Benefits Expense	28	2,500.40	2,325.66
Finance Costs	29	9.05	24.72
Depreciation and Amortisation expense	30	260.68	289.41
Other Expenses	31	3,446.04	2,996.11
<b>Total Expenses</b>		<b>16,076.36</b>	<b>14,796.25</b>
Profit before Exceptional items and Tax		1,764.31	1,942.87
Exceptional Items	32 & 52	154.74	-
<b>Profit before Tax</b>		<b>1,919.05</b>	<b>1,942.87</b>
<b>Tax Expense</b>			
Current Tax		328.06	595.59
Deferred Tax		(131.37)	(35.18)
<b>Total Tax Expense</b>		<b>196.69</b>	<b>560.42</b>
<b>Profit for the Year</b>		<b>1,722.36</b>	<b>1,382.45</b>
<b>Other Comprehensive Income</b>			
1 i) Items that will not be reclassified to profit or loss		7.67	(18.64)
ii) Income Tax relating to items that will not be reclassified to profit or loss		(2.23)	4.00
2 i) Items that will be reclassified to profit or loss			-
ii) Income Tax relating to items that will be reclassified to profit or loss			-
<b>Other Comprehensive Income</b>		<b>5.43</b>	<b>(14.64)</b>
<b>Total Comprehensive Income</b>		<b>1,727.79</b>	<b>1,367.81</b>
<b>Earning Per Equity Share of Face Value of ₹5 each</b>			
Basic (in ₹)		12.81	10.28
Diluted (in ₹)		12.81	10.28
Material Accounting Policies, key accounting estimates and judgements and notes on financial statements.	1-54		

As per our attached report of even date

**For S H B A & CO LLP**  
(Formerly known as Bathiya & Associates LLP)  
Chartered Accountants  
FRN - 101046W/W100063

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767

Mumbai, 30th May 2025

**On behalf of the Board of Directors**

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

**Rashmi S. Gavli**  
Chief Financial Officer

Mumbai, 30th May 2025

**Jayesh Shah**  
Director  
DIN: 00138346

**Suchita Singh**  
Company Secretary



## Standalone Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2025

### (a) Equity share capital

	No. of Shares	(₹ In lakhs)
<b>Balance as at 31 March 2023</b>	1,34,48,288	672.41
Changes in Equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	-
<b>Balance as at 31 March 2024</b>	<b>1,34,48,288</b>	<b>672.41</b>
Changes in Equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	-
<b>Balance as at 31 March 2025</b>	<b>1,34,48,288</b>	<b>672.41</b>

### (b) Other Equity

Particulars						(₹ in lakhs)
	Reserves and Surplus			Items of other Comprehensive Income		Total other equity
	General Reserve	Share Premium	Capital Reserves	Retained earnings	Remeasurements of the net defined benefit Plans	
<b>Balance as at 31st March 2023</b>	<b>630.00</b>	<b>613.05</b>	<b>-</b>	<b>22,239.24</b>	<b>25.08</b>	<b>23,507.37</b>
Profit for the year				1,382.45		1,382.45
Merger effect of CMTPL, PSPL, GCIPL	858.11	843.87	233.55	1,084.57		3,020.10
Demerger & Merger effect				(13,020.83)		(13,020.83)
Other comprehensive income for the year					(14.64)	(14.64)
<b>Total comprehensive income</b>	<b>858.11</b>	<b>843.87</b>	<b>233.55</b>	<b>(10,553.81)</b>	<b>(14.64)</b>	<b>(8,632.92)</b>
Prior Period items						
Dividend Paid				403.45		403.45
<b>Balance as at 31st March 2024</b>	<b>1,488.11</b>	<b>1,456.91</b>	<b>233.55</b>	<b>11,281.99</b>	<b>10.44</b>	<b>14,471.00</b>
Profit for the year				1,722.36		1,722.36
Other comprehensive income for the year					5.44	5.44
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividend Paid				470.69		470.69
<b>Balance as at 31st March 2025</b>	<b>1,488.11</b>	<b>1,456.91</b>	<b>233.55</b>	<b>12,533.66</b>	<b>15.88</b>	<b>15,728.11</b>

As per our attached report of even date

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Chartered Accountants  
FRN - 101046W/W100063

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Partner  
Membership No. : 134767

Mumbai, 30th May 2025

On behalf of the Board of Directors

**Sameer V. Shah**  
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Chief Financial Officer

Mumbai, 30th May 2025

**Jayesh Shah**  
Director  
DIN: 00138346

**Suchita Singh**  
Company Secretary

## Standalone Cash Flow Statement for the year ended 31<sup>st</sup> March 2025

		(₹ in lakhs except otherwise stated)	
Particulars	31.03.2025 Audited	31.03.2024 Audited Restated	
<b>A Cash Flow from Operating Activities</b>			
Profit before tax	1,919.05	1,942.87	
Adjustments for :			
Depreciation and amortisation	260.68	289.41	
Loss on Sale of Property, Plant & Equipment	4.16	22.68	
Foreign Exchange Fluctuation	-	20.55	
Finance Cost	9.05	24.72	
	<b>273.89</b>	<b>357.36</b>	
Less :			
Net Gain on Investments	581.94	623.11	
Interest from Fixed Deposits and Loans at Effective Interest Rate	79.23	62.05	
Gain from Insurance	154.74	-	
Unrealised Forex Gain	2.37	-	
ECL Provision on debtors	32.15	6.28	
Dividend Received	8.59	7.04	
	(859.02)	(698.48)	
Operating Profit before working capital changes	<b>1,333.91</b>	<b>1,601.75</b>	
Adjustments for :			
(Increase/decrease) in Trade and Other Receivables	728.80	(1,265.96)	
(Increase/decrease) in Inventories	(166.61)	(1,011.26)	
(Increase/decrease) in Trade and Other Payables	118.90	2,503.98	
	681.09	226.76	
Cash generated from operations	<b>2,015.01</b>	<b>1,828.51</b>	
Income taxes paid (Net of Refund)	(224.00)	(744.55)	
<b>Net Cash from Operating Activities (A)</b>	<b>1,791.01</b>	<b>1,083.96</b>	
<b>B Cash Flow from Investing Activities</b>			
Payment to acquire Property, plant & equipments	(432.89)	(1,079.13)	
Proceeds from Sale of Property, plant & equipments	44.10	628.98	
Interest from Fixed Deposits and Loans at Effective Interest Rate	79.23	62.05	
Purchase of Investment	(1,153.66)	(960.25)	
Sale of Investment	333.42	897.10	
Dividend Income	8.59	7.04	
Gain from Insurance	154.74	-	
Proceed from Inter Corporate Loans	(0.25)	-	
Merger & Demerger Effect of Subsidiaries	-	(244.11)	
<b>Net Cash used in Investing Activities (B)</b>	<b>(966.71)</b>	<b>(688.33)</b>	
<b>C Cash Flow from Financing Activities</b>			
Proceeds from Loan & Advances	(83.91)	83.91	
Dividend paid	(470.69)	(403.45)	
Finance Cost	(9.05)	(24.72)	
<b>Net Cash from Financing Activities (C)</b>	<b>(563.66)</b>	<b>(344.25)</b>	
<b>Net (Decrease)/Increase in Cash &amp; Cash Activities (A+B+C)</b>	<b>260.63</b>	<b>51.38</b>	
Cash and Cash equivalents at the beginning of the year from merged entities	-	157.18	
Cash and Cash equivalents at the beginning of the year	305.52	96.96	
Cash and Cash equivalents at the end of the year	<b>566.15</b>	<b>305.52</b>	

## Standalone Cash Flow Statement for the year ended 31st March 2025

### Components of Cash and Cash Equivalents:

Particulars	For the Year ended 31 March 2025	For the Year ended 31 March 2024 (Restated)
<b>1) Cash &amp; Cash Equivalents:</b>		
Cash on hand	1.09	2.33
Balances with banks:		
- in current accounts & Short term FD's	<b>565.06</b>	303.19
<b>Total</b>	<b>566.15</b>	<b>305.52</b>

Negative figures in the cash flow statement indicate a cash outflow.

- 2 The above cashflow statement has been prepared under the indirect method as set out in the IND-AS 7 on the statement of cashflow as notified under Companies Act 2013

#### Amendment to Ind AS 7-

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

Particulars	Note No.	1 st April 2024	Cash flow	Foreign Exchange Movement	31 st March 2025
Other financial liabilities- Unpaid Dividend	21	16.51	2.63	-	19.14

Particulars	Note No.	1 st April 2023	Cash flow	Foreign Exchange Movement	31 st March 2024
Other financial liabilities- Unpaid Dividend	21	16.33	(0.12)	-	16.51

Material Accounting Policies, key accounting estimates and judgements and notes on financial statements 1-54

As per our attached report of even date

**For S H B A & CO LLP**  
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Chartered Accountants  
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**Jatin A. Thakkar**  
Partner  
Membership No. : 134767

Mumbai, 30th May 2025

**On behalf of the Board of Directors**

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Chief Financial Officer

Mumbai, 30th May 2025

**Jayesh Shah**  
Director  
DIN: 00138346

**Suchita Singh**  
Company Secretary

## Notes to the Standalone Financial Statements For the year ended March 31, 2025

### COMPANY INFORMATION:

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

The Company is engaged in manufacturing of Speciality Chemicals. .

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

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

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

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

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

#### 1.2 Summary of Material accounting policies

##### a) Business Combination:

Business Combinations are accounted under common control business combination which are accounted using the pooling of interest

method in accordance with principles of Indian Accounting Standards, including IND AS 103 (Business Combinations) at carrying values.

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

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

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

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

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

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

## c) Intangible Assets:

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

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

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

## e) Depreciation and Amortization:

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

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

## f) Revenue Recognition:

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

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

- i. Revenue from sales is recognised when goods are supplied and control over the Goods sold is transferred to the buyer which

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

- ii. Revenue from services is recognised pro-rata as and when services are rendered over a specified period of time. The company collects goods and service tax on behalf of the government and therefore it is not an economic benefit flowing to the company. Hence it is excluded from the revenue. Interest income is recognised using effective interest method on time proportion basis taking in to account the amount outstanding.
- iii Dividend income from investment is recognised when the Company's right to receive is established by the reporting date, which is generally when shareholders approve the dividend

## g) Lease:

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

### Company as a Lessee

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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Leases payments are apportioned between finance charges and reduction of the



lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in the periods in which they are incurred.

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

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

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

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

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

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

#### **h) Inventories:**

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

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

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

#### **i) Impairment of assets:**

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

## j) Financial Instruments:

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

### 1. Financial assets

#### Classification

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

#### Initial recognition and measurement

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

#### Debt instruments

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the

effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss.

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

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

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

#### Equity instruments

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

#### De-recognition

A financial asset derecognized only when:

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

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

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

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

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

## **2. Financial liabilities**

### **Initial recognition and measurement**

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

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

### **Financial liabilities at fair value through profit and loss**

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

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

### **Derecognition**

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

## **3. Hedge accounting**

Forward exchange contracts entered to hedge highly probable forecast revenues are recorded using the principles of hedge accounting as per Ind AS 109. Such forward exchange contracts which qualify for cash flow hedge accounting and where the conditions of Ind AS 109 have been met are initially measured at fair value

and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognized directly under shareholder's funds in the cash flow hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value of cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

#### **k) 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.

**l) Foreign Currency and Translation balances:**

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

**m) Trade Receivables:**

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

**n) Trade Payables:**

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

**o) Income Taxes:**

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

**Current tax:**

Current tax is the amount expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of reporting period. Management periodically evaluates

positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The company recognizes the current tax expense in its profit and loss statement based on the higher of the two calculations below.

If the tax paid as per MAT exceeds the tax liability under normal provisions, the excess (MAT credit) is recognized as an asset (MAT Credit Entitlement) if there is probability that the company will be able to realize this credit in future years when normal tax exceeds MAT.

The MAT credit can be carried forward for up to 15 assessment years and set off against future tax liabilities arising under normal provisions

**Deferred tax:**

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

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

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

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



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

**p) Cash and Cash Equivalents**

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

**q) Employee Benefits**

**Short term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**Post Employment Benefits**

**I. Defined Contribution Plan**

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

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services

received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

**II. Defined Benefit plans:**

Provident Fund scheme

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

Gratuity scheme

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

Pension Scheme:

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

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

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

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are

recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

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

**Other Long Term Employee Benefits:**

The Company does not allow encashment of leave Balance.

**r) Research and Development**

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

**s) Borrowing Cost**

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

**t) Earnings per share**

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

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

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

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

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

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

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

Contingent liability is disclosed in case of

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

Contingent Assets are neither recognised, nor disclosed.

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

**w) Dividend**

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

**x) Segment Reporting**

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

**1.3 Key accounting estimates and judgements**

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

The areas involving critical estimates or judgements are:

- a. Property Plant & Equipment - Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- b. Provisions - Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.
- c. Taxes - Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused

tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could change if estimates of future taxable income changes in the future

- d. Defined Benefit Obligations - The cost of defined benefit gratuity plans, and post-retirement medical benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty

#### **1.4 Recent Accounting Pronouncements**

The Ministry of Corporate Affairs has vide notification dated 14 August 2024 and 9 September 2024 notified Companies (Indian Accounting Standards) Amendment Rules, 2024 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2024. The Rules predominantly brings new Ind AS 117 'Insurance Contracts' replacing the existing Ind AS 104 "Insurance Contracts and amends Ind AS 116, 'Leases'. As per the Management's assessment, these amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

## 2. Property, plant and equipment, Intangibles and Capital work in progress as at 31st March 2025

(₹ In lakhs)

Description	Gross Block (At Cost)				Depreciation Including Amortisation				Net Block	
	As at 01.04.2024	Addition for the Year	Disposal, Transfer & Adjustments	As at 31.03.2025	As at 01.04.2024	Addition for the Year	Disposal, Transfer & Adjustments	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Property, plant and equipment										
Tangible Assets										
Leasehold Land	65.33	-	-	65.33	6.17	0.97	-	7.14	58.18	59.16
Freehold Land	68.77	-	-	68.77	-	-	-	-	68.77	68.77
Buildings	1,462.62	281.83	-	1,744.45	283.58	45.29	-	328.87	1,415.58	1,179.04
Plant & Equipment	1,774.32	455.37	24.25	2,205.45	845.15	141.17	13.27	973.04	1,232.40	929.17
Computers	123.70	11.32	5.86	129.15	106.87	8.52	4.80	110.59	18.56	16.82
Furniture & Fixtures	160.25	10.00	0.08	170.17	98.32	10.42	0.07	108.67	61.50	61.93
Motor Cars	60.35	-	-	60.35	57.34	-	-	57.34	3.02	3.02
Electrical Installations & Equipment	340.06	276.77	-	616.82	124.93	47.80	-	172.73	444.09	215.12
Sub- total	4,055.39	1,035.29	30.19	5,060.50	1,522.37	254.17	18.14	1,758.39	3,302.11	2,533.03
Other Intangible Assets										
Technical Know-how	3.47	-	-	3.47	2.68	0.18	-	2.86	0.61	0.79
Computer Software	68.10	-	13.91	54.20	32.95	6.34	12.65	26.64	27.56	35.15
Sub- total	71.57	-	13.91	57.67	35.64	6.51	12.65	29.49	28.17	35.94
Total	4,126.97	1,035.29	44.10	5,118.16	1,558.00	260.68	30.80	1,787.88	3,330.28	2,568.96
Previous Year	4,872.41	1,427.99	839.05	5,461.35	1,368.59	288.03	98.61	1,558.00	3,903.34	3,552.69
Capital Work in Progress	1,334.38	259.76	843.58	750.56	-	-	-	-	750.56	1,334.38

- i) Pursuant to the composite scheme of arrangement, the Company is in the process of transferring the title deeds and lease agreements of the Property, Plant & Equipment in the name of CMTL.
- (ii) The Company has adopted the Straight Line Method (SLM) method of depreciation for the Property, Plant and Equipment (PPE) pertaining to the merged undertaking received from GCIPL and PSPL.

## Property, plant and equipment, Intangibles and Capital work in progress as at 31st March 2024

(₹ In lakhs)

Description	Gross Block (At Cost)			Depreciation Including Amortisation				Net Block		
	As at 01.04.2023	Additions	Disposal, Transfer & Adjustments	As at 31.03.2024	As at 01.04.2023	Additions for the Year	Disposal, Transfer & Adjustments	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Property, plant and equipment										
Tangible Asset										
Leasehold Land	65.39	-	0.07	65.33	5.20	0.97	0.00	6.17	59.16	55.42
Freehold Land	68.77	-	-	68.77	-	-	-	-	68.77	84.63
Buildings	1,299.43	332.89	169.70	1,462.62	284.79	41.00	42.21	283.58	1,179.04	1,829.00
Plant & Equipment	1,692.26	227.92	145.85	1,774.32	716.04	185.49	56.38	845.15	929.17	664.07
Computers	116.56	7.22	0.08	123.70	93.25	13.65	0.02	106.87	16.82	15.12
Furniture & Fixtures	142.22	18.03	-	160.25	85.19	13.14	-	98.32	61.93	63.70
Motor Cars	60.35	-	-	60.35	54.80	2.53	-	57.34	3.02	19.87
Electrical Installations & Equipment	195.48	144.57	-	340.06	97.98	26.95	-	124.93	215.12	94.52
Sub- total	3,640.47	730.63	315.70	4,055.39	1,337.25	283.74	98.61	1,522.37	2,533.03	2,826.33
Other Intangible Assets										
Technical Know-how	3.47	-	-	3.47	2.51	0.18	-	2.68	0.79	-
Computer Software	50.26	17.84	-	68.10	28.84	4.11	-	32.95	35.15	23.32
Sub- total	53.73	17.84	-	71.57	31.35	4.29	-	35.64	35.94	23.32
Total	3,694.20	748.48	315.70	4,126.97	1,368.59	288.03	98.61	1,558.00	2,568.96	2,849.65
Previous Year	4,570.75	62.73	346.56	4,286.92	1,358.28	243.87	164.86	1,437.29	2,849.65	3,212.48
Capitail Work in Progress	1,178.21	679.52	523.35	1,334.38	-	-	-	-	1,334.38	703.04



**3 Financial Assets (Non-Current)**
**Investments**
**Investment in equity instruments of subsidiaries at cost**
**Unquoted**

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

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

**Other Investment carried at fair value through PNL (Unquoted)**

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

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

22,505 (PY-15,000) Equity Shares of Hindustan Petroleum Corporation Ltd. of ₹10/- each fully paid up.

9,114 (PY-9,114) Equity Shares of HDFC Limited of ₹2/- each fully paid up

3,700 (PY-3,700) Equity Shares Tata Consultancy Services Limited of ₹1/- each fully paid up

**Investments in Gilt fund carried at fair value through Profit and Loss**
**Quoted**

7,99,741.40 (PY-1,00,991.79) Units of SBI Magnum Gilt Fund-Long Term Reg (G)

38,58,187.14 (PY-38,58,187.14) Units of ICICI Prudential Gilt Fund (G)

89,600.40 (PY- 89,600.40) - Units of Kotak Gilt Investment

Nil (PY- 3,919.59) -Units of HDFC Flexi Cap Fund

Nil (PY-11,405.77) -Units of SBI Large & Midcap Fund

500 (PY- 500) Secured Non- Convertible Redeemable REC Capital Gains tax exemption bonds

**Total**

Aggregate amount of Quoted Investments and market value there of

Aggregate amount of Unquoted Investments

Aggregate amount of Impairment in value of investment

As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
190.00	190.00
3.75	3.79
81.81	71.35
166.62	131.96
133.43	143.42
522.46	60.37
3,889.15	3,578.41
85.74	78.99
-	62.94
-	58.60
50.00	50.00
5,122.96	4,429.83
4,879.21	4,186.04
243.75	243.79
-	-

4 Other Non- Current Financial Assets	As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
(Unsecured & considered good)		
Fixed Deposits deposits with maturity of more than 12 months	220.07	7.41
Other Deposits	15.77	15.77
<b>Total</b>	<b>235.85</b>	<b>23.18</b>
5 Deferred Tax Assets (Net)		
<u>Deferred tax Liability</u>		
Written Down Value of PPE	(278.62)	(446.89)
Investments at Fair Value	(529.55)	(176.25)
<b>Total</b>	<b>(808.17)</b>	<b>(623.14)</b>
<u>Deferred tax Asset</u>		
Gratuity	8.75	24.91
MAT Credit	949.04	636.97
Other Deferred tax Asset	40.95	9.77
Provision for expected credit loss	68.43	80.36
<b>Total</b>	<b>1,067.17</b>	<b>752.00</b>
Net Deferred Tax Assets	<b>Total 259.00</b>	<b>128.86</b>
6 Income tax asset (net)		
Advance Income Tax (Net of Provision)	463.54	529.25
<b>Total</b>	<b>463.54</b>	<b>529.25</b>
7 Other non-current assets		
Prepaid expenses	0.02	0.16
<b>Total</b>	<b>0.02</b>	<b>0.16</b>
8 Inventories		
(At lower of Cost or Net Realisable Value)		
Raw Materials	665.31	580.89
Packing Materials	84.00	72.94
Finished Goods*	529.79	481.85
Work in Progress	199.51	176.32
<b>Finished Goods Include stock in transit amounting to ₹120.44 Lakhs as at 31.03.2025 (Nil as at 31.03.2024)</b>	<b>Total 1,478.62</b>	<b>1,312.01</b>

**9 Investments (Current)**
**Investments in Mutual Funds carried at fair value through Profit and Loss**

	As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
11,63,837.16 (PY-10,53,730.58 ) Units of Axis Blue Chip Fund	666.06	576.50
3,93,983.03 (PY-3,50,183.50 ) Units of Mirae Asset India Equity Fund	413.28	335.21
8,77,805.57 (PY-8,77,805.57) Units of Kotak Gilt Investment Fund	840.00	773.81
49,838.61 (PY-49,838.61) Units of ICICI Prudential Equity & Debt Fund	183.75	166.89
Nil (PY-180,992.74) HDFC Ultra Short Term Debt Fund	-	183.31
13,25,450 (PY- 6,77,992.742) Hdfc Short Term Debt Fund - Reg (G)	152.27	52.20
20,843.16 (PY-Nil) Units of HDFC Balanced Advantage Fund	102.20	-
8,530.68 (PY-Nil) Units of Kotak Money Market Fund	375.86	-
21,859.47 (PY- 21,859.47) Units of ICICI Prudential Saving Fund	116.40	107.82
Nil (PY-21,739.86) Units of Kotak Flexi Cap Fund	-	15.23
Nil (PY-18,393.22) Units of SBI Blue Chip Fund-Regular Growth	-	14.71

**Total** **2,849.82** **2,225.98**

Aggregate amount of Quoted Investments and Market Value thereof 2,849.82      2,225.98

**10 Trade Receivables**

Unsecured Considered doubtful -      -

OTHER DEBTS (CONSIDERED GOOD)

**(a)Trade receivables considered good - Secured**
**(b)Trade receivables considered good - UnSecured**

(i)Considered Good	4,084.83	4,869.72
(ii)Credit Impaired	234.98	259.04

**4,319.80** **5,128.76**

**(c)Trade Receivables which have significant increase in Credit Risk**

Less : Impairment Loss Allowance (Refer note 10 III) (234.98)      (259.04)

**Total** **4,084.83** **4,869.72**

i For Trade Receivable Ageing Schedule, refer Note No. 43

ii For Related party transactions, Refer Note No 38

**iii Movement in Credit Impaired**

<b>Provision at the beginning of the year</b>	259.04	252.76
Add: Provision during the year	-	6.28
Less: Reversal during the year	(24.06)	-

Provision at the year end **Total** **234.98** **259.04**

11 Cash and Cash equivalents	As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
Balances with banks		
In Current accounts	524.97	303.19
Bank Deposits with less than 3 months Maturity	40.09	-
Cash on hand	1.09	2.33
<b>Total</b>	<b>566.15</b>	<b>305.52</b>
12 Bank balances other than cash and cash equivalents		
Margin money (Including bank deposits with more than 3 months maturity)	733.44	931.61
In Unpaid Dividend Accounts	19.14	16.51
<b>Total</b>	<b>752.58</b>	<b>948.12</b>
13 Loans		
(Unsecured & considered good)		
Loan and advance to Employees	0.25	-
<b>Total</b>	<b>0.25</b>	<b>-</b>
<b>For related party transactions, Refer note No 38</b>		
14 Other Current Financial Assets		
(Unsecured & considered good)		
Security Deposits	54.84	40.21
<b>Total</b>	<b>54.84</b>	<b>40.21</b>
15 Other Current Assets		
Prepaid expenses	33.07	34.76
Advances for supply of goods and services	177.26	122.78
Balances with government authorities	6.01	6.03
Advances to Employees	14.80	8.56
<b>Total</b>	<b>231.14</b>	<b>172.14</b>
16 Equity Share Capital		
<b>Authorised</b>		
2,72,00,000 (PY-2,72,00,000) Equity Shares of ₹5/- each	1,360.00	1,360.00
Pursuant Composite to Scheme of Arrangement, authorised share capital is increased by ₹360 lakhs which pertains to CMTPL, PSPL & GCIPL.		
<b>Issued, Subscribed and Paid up</b>		
134,48,288 (PY-134,48,288) Equity Shares of ₹5/- each fully paid up	672.41	672.41
<b>Total</b>	<b>672.41</b>	<b>672.41</b>

	As at 31/03/2025	As at 31/03/2024
<b>16a Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Number of shares outstanding at the beginning of the year	1,34,48,288.00	1,34,48,288.00
Additions during the year	-	-
Deductions during the year	-	-
Number of shares outstanding at the end of the year	1,34,48,288.00	1,34,48,288.00
<b>Total</b>	<b>1,34,48,288.00</b>	<b>1,34,48,288.00</b>

**16b Details of Shareholders holding more than 5% Shares**

Name of the Shareholder	% Held	As at 31/03/2025	% Held	As at 31/3/2024
		No. of Shares		No. of Shares
Nirmal Vinod Shah	13.35%	17,95,190	13.35%	17,95,090
Sameer Vinod Shah	12.64%	17,00,144	12.54%	16,86,844
Padma Vinod Shah	12.57%	16,91,100	12.57%	16,91,100
Visan Holdings Pvt. Ltd.	9.75%	13,10,630	9.75%	13,10,630

**16c Disclosure of shareholding of Promoters**

Disclosure of shareholding of promoters as at March 31, 2025 is as follows:

Shares held by promoter at the end of the year		No. of shares	% of total shares	% change during the year
Sr. No.	Promoter Name			
1	Nirmal Vinod Shah	17,95,190	13.35%	0.001%
2	Sameer Vinod Shah	17,00,144	12.64%	0.100%
3	Padma Vinod Shah	16,91,100	12.57%	0.000%
4	Ashwin Ratilal Nagarwadia	5,00,000	3.72%	0.000%
5	Shah Bhadresh	1,88,934	1.40%	0.000%
<b>Total</b>		<b>58,75,368</b>	<b>43.68%</b>	

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

Shares held by promoter at the end of the year		No. of shares	% of total shares	% change during the year (Pursuant to the Scheme of Arrangement)
Sr. No.	Promoter Name			
1	Nirmal Vinod Shah	17,95,090	13.35%	0.001%
2	Sameer Vinod Shah	16,86,844	12.54%	0.001%
3	Ashwin Ratilal Nagarwadia	5,00,000	3.72%	0.000%
4	Shah Bhadresh	1,88,934	1.40%	0.000%
<b>Total</b>		<b>41,70,868</b>	<b>31.01%</b>	



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

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

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

<b>17 Other Equity</b>		<b>As at 31/03/2025</b> (₹ In lakhs)	<b>As at 31/03/2024</b> (₹ In lakhs)
<b>a. General Reserve</b>			
As per last year		1,488.11	630.00
Add: Transfer from Profit & Loss A/c.		-	-
Add: Pursuant to the Composite Scheme of Arrangement refer note 49 & 50		-	858.11
Less: Appropriation		-	-
<b>Total</b>		<b>1,488.11</b>	<b>1,488.11</b>
<b>b. Securities Premium</b>			
As per last year		1,456.91	613.05
Add: Pursuant to the Composite Scheme of Arrangement refer note 49 & 50		-	843.87
Less: Appropriation		-	-
<b>Total</b>		<b>1,456.91</b>	<b>1,456.91</b>
<b>c. Retained Earnings</b>			
As per last year		11,281.99	22,239.24
Add: Pursuant to the Composite Scheme of Arrangement refer note 49 & 50		-	<b>1,084.57</b>
Less: Pursuant to the corporate scheme of arrangement refer note 49 & 50		-	(13,020.83)
Add: Profit for the Year		1,722.36	1,382.45
		13,004.35	11,685.44
Less: Appropriations			
Dividend Paid		470.69	403.45
<b>Total</b>		<b>12,533.66</b>	<b>11,281.99</b>
<b>d. Capital Reserve</b>			
As per last year		233.55	
Add: Pursuant to the Composite Scheme of Arrangement refer note 49 & 50		-	233.55
Less: Appropriation		-	-
<b>Total</b>		<b>233.55</b>	<b>233.55</b>
<b>e. Other Comprehensive Income (OCI)</b>			
Remeasurements of the net defined benefit Plans			
As per last year		10.44	25.08
Add: Pursuant to the Composite Scheme of Arrangement refer note 49 & 50		-	-
Movement During the Year		5.44	10.44
<b>Total</b>		<b>15.88</b>	<b>10.44</b>
<b>Total</b>		<b>15,728.11</b>	<b>14,471.00</b>

**Nature & Purpose:**
**a. General Reserve:**

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

**b. Securities Premium :**

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

**c. Retained Earnings:**

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

**d. Capital Reserve:**

The capital reserve represents the excess of net assets acquired over the consideration paid during business combinations such as amalgamations, mergers, or acquisitions. This reserve arises primarily from the cancellation of shares of the amalgamated or merged entities and is maintained to facilitate future corporate restructuring activities, including mergers, demergers, or other forms of business combinations.

**18 Provisions- Non Current**
**(a) Provision for employee benefits :**

Provision for Gratuity

	As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
	7.34	12.47
<b>Total</b>	<b>7.34</b>	<b>12.47</b>

**19 Current Borrowings**
**Secured (Repayable on demand)**

Working Capital Loan from Banks Refer Note no. 47

	-	83.91
<b>Total</b>	<b>-</b>	<b>83.91</b>

**20 Trade Payables**

Total Outstanding Dues of Micro and Small Enterprises

Total Outstanding Dues of Creditors other than Micro and Small Enterprises

	293.77	290.73
	2,761.88	2,636.48
<b>Total</b>	<b>3,055.65</b>	<b>2,927.21</b>

**a For Trade Payables Ageing Schedule refer Note No.44**

	As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
<b>b</b> The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at the year end. The disclosure pursuant to the said Act is as under:		
Principal amount due to suppliers under MSMED Act, 2006	293.77	290.73
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	-	1.73
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
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	-	1.73
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	1.73

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

**21 Other Current Financial Liabilities**

Unclaimed Dividend *	19.14	16.51
<b>Total</b>	<b>19.14</b>	<b>16.51</b>

\* Not due for Deposit to Investor Education and Protection Fund

**22 Other Current Liabilities**

Statutory Dues	51.04	52.55
Employee Benefits Payable	595.90	591.25
Advance received from customer	28.11	50.39
<b>Total</b>	<b>675.05</b>	<b>694.19</b>

**23 Provisions**

(a) Provision for employee benefits:

Provision for Gratuity	22.72	10.62
<b>Total</b>	<b>22.72</b>	<b>10.62</b>

24 Revenue from Operations	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
<b>Sale of Goods</b>	16,876.54	15,265.10
<b>Total</b>	<b>16,876.54</b>	<b>15,265.10</b>
<b>Other Operating revenue</b>		
Management Services Charges from Related Party (For Related party transaction Refer Note No.38)	200.00	-
Miscellaneous Income	44.17	68.94
<b>Total</b>	<b>244.17</b>	<b>68.94</b>
	<b>17,120.70</b>	<b>15,334.04</b>
<b>25 Other Income</b>		
Dividend from Equity Investments	2.23	2.25
Dividend from Mutual Funds	6.37	4.79
	8.59	7.04
Profit on sale of Investments	77.43	69.74
Unrealised Gain on fair valuation of Investments	504.50	623.11
Interest from Bank deposits at Effective Interest Rate	79.23	62.05
Rent (Gross)	4.95	30.21
Profit on Sale of Property Plant & Equipment	-	577.87
Bad Debts Recovered	-	12.00
Credit Balance written back	19.76	-
Corporate Gurantee Fee	25.50	23.06
<b>Total</b>	<b>719.97</b>	<b>1,405.08</b>
<b>26 Cost of materials consumed</b>		
Raw Materials Consumed	9,053.79	8,924.89
Packing Materials Consumed	877.46	784.70
<b>Total</b>	<b>9,931.25</b>	<b>9,709.59</b>
<b>27 Changes in inventory of Finished goods, Work in progress</b>		
<b>(a) Finished goods/ Work In Progress (At Close)</b>		
Finished goods	529.79	481.85
Work In Progress	199.45	176.33
	729.24	658.18
<b>(b) Finished goods/ Work In Progress (At commencement)</b>		
Finished goods	481.85	79.74
Work In Progress	176.33	29.20
	<b>658.18</b>	<b>108.94</b>
<b>Total</b>	<b>(71.06)</b>	<b>(549.24)</b>
<b>28 Employee benefit expenses</b>		
Director Remuneration	101.17	114.61
Salaries & Wages	2,140.53	1,999.07
Contribution to Provident & other funds	154.97	133.47
Staff Welfare Expenses	103.73	78.50
<b>Total</b>	<b>2,500.40</b>	<b>2,325.66</b>

**29 Finance Cost**

(a) Interest Expense at effective interest rate

- Banks	1.85	9.01
- MSMED	-	1.73
- Others	1.62	7.84

(b) Other borrowing costs

- Bank Guarantee fees & charges	5.58	6.15
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**Total** **9.05** **24.72**
**30 Depreciation and Amortisation expenses**

Depreciation and Amortisation Expenses

260.68 289.41

**Total** **260.68** **289.41**
**31 Other Expenses**
**Manufacturing Expenses**

Consumable stores	68.27	42.11
Power, Fuel & Water Charges	145.47	141.83
Research and Development	73.86	74.87
Laboratory Expenses	20.43	9.31
Repairs and Renewals to Plant & Machinery	67.99	63.44
Godown Rent	20.11	38.92
Labour Charges	501.44	439.69
Security Expenses	70.89	68.14
Factory Maintenance	57.43	60.62

**Total A** **1,025.90** **938.92**
**Administrative Expenses**

Directors' Sitting Fees	14.85	10.78
Rates & Taxes	15.82	41.33
Electricity charges	29.45	22.43
Printing and stationary	8.93	7.68
Telephone & Postage Expenses	16.69	18.18
Insurance	45.32	34.61
Motor car expenses	73.22	72.83
Auditors Remuneration (see note 'a' below)	16.26	24.81
Legal, Professional & consultancy fees	477.36	364.75
Repairs & Maintenance Buildings	3.39	4.86
Repairs & Maintenance Others	96.67	68.88
Miscellaneous expenses	82.93	91.53
Donation	0.47	0.48
CSR Expenditure	18.60	13.26
Loss on Sale of PPE	4.16	22.68
Input GST Reversed	1.21	0.78
Net loss on Foreign Exchange Fluctuation	15.09	20.55
Provision/(Reversal) for Expected credit loss on trade receivables	(32.15)	6.28
Bad Debts Written Off	32.88	7.67

**Total B** **921.14** **834.36**



**31 Other Expenses (Cnt)**
**Selling and Distribution Expenses**

	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
Carriage outwards	669.12	575.79
Rent	0.24	0.24
Commission on sales	363.95	285.05
Travelling Expenses	207.23	159.90
Conveyance expenses	98.92	93.39
Royalty Expenses	29.99	27.19
Advertising & Publicity Expenses	4.27	2.52
Warehousing Charges	11.79	10.92
Packing Expenses	21.37	17.86
Sales Promotion Expenses	92.12	49.96
<b>Total C</b>	<b>1,499.00</b>	<b>1,222.82</b>
<b>Total (A+B+C)</b>	<b>3,446.04</b>	<b>2,996.11</b>

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

Statutory Audit Fees	16.26	24.81
<b>Total</b>	<b>16.26</b>	<b>24.81</b>

Audit fees for the current and previous financial year includes the audit fees of transferor companies amalgamated pursuant to scheme of arrangement and the effect of proportionate audit fees transferred to resulting company with respect to Construction Chemicals and Water Technologies chemicals business.

**b Corporate Social Responsibility**

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

- Gross amount required to be spent by the company during the year Rs. 18.60 lakhs. (Previous Year 13.26 Lakhs)
- Amount spent during the year is Rs. 18.60 lakhs (Previous Year 13.26 Lakhs)

Particulars	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
<b>Details of corporate social responsibility expenditure</b>		
a) Amount required to be spent by the company during the year	18.60	13.26
b) Amount of expenditure incurred	-	-
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) and above	18.60	13.26
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall	-	-

f) Nature of CSR activities	Promotion of Child Education & towards women empowerment and education	Promotion of Child Education
g) Details of related party transactions	Refer Note 38	Refer Note 38
h) Where a provision is made with respect to a liability incurred by entering into a contractual the year shall be shown separately.	-	-

**c Lease**

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

	(₹ In Lakhs except otherwise stated)	
Company as a Lessee	Total Minimum Lease Payment Outstanding as on 31/03/2025	Total Minimum Lease Payment Outstanding as on 31/03/2024
Due within one year	5.64	8.01
Due later than one year and not later than five years	80.15	31.32
Lease receipts recognised in the Statement of Profit & Loss	20.35	39.16

Company As a Lessor	Total Minimum Lease Payment as on 31/03/2025 ₹In Lakhs	Total Minimum Lease Payment as on 31/03/2024 ₹In Lakhs
Lease receipts recognised in the Statement of Profit & Loss	4.95	30.21

**32 Exceptional Items**

	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
Final Settlement Insurance Claim	154.74	-
<b>Total</b>	<b>154.74</b>	<b>-</b>

**33 EARNINGS PER SHARE**

	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
Net Profit available to Equity Shareholders (₹ In Lakhs)	1,722.36	1,382.45
Total number of Equity Shares (Face value of ₹ 5/- each fully paid up)	1,34,48,288	1,34,48,288
Weighted No. of Equity Shares	1,34,48,288	1,34,48,288
Basic Earnings per Share (in Rupees)	12.81	10.28
Diluted No. of Equity Shares	1,34,48,288	1,34,48,288
Diluted Earnings per Share (in Rupees)	12.81	10.28

**34 EARNINGS IN FOREIGN EXCHANGE**

Export of Goods on FOB Basis	330.45	199.96
<b>Total</b>	<b>330.45</b>	<b>199.96</b>

**35 Segment Reporting**

As per Ind AS 108 - Operating Segment ('Ind AS 108'), if a financial statement contains both consolidated financial statements of a Company that is within the scope of this Ind AS as well as the Company separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 - Operating Segment has been given in the consolidated financial statements.

### 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.

Particulars	As at 31 March 2025 (₹ in Lakhs)							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents (Including other bank balances)	-	-	566.15	566.15	-	-	-	-
Investments								
- Investments in Equity shares of subsidiaries (Unquoted)			190.00	190.00	-	-	-	-
- Mutual Funds	7,347.18	-	-	7,347.18	7,347.18	-	-	7,347.18
- Equity Shares (Quoted)	381.86	-	-	381.86	381.86	-	-	381.86
- Equity Shares (Unquoted)	3.75	-	-	3.75	-	-	3.75	3.75
- Secured Non Convertible Redeemable Bonds	-	-	50	50.00	-	-	-	-
Trade and other receivables	-	-	4,084.83	4,084.83	-	-	-	-
Loans	-	-	0.25	0.25	-	-	-	-
Other financial assets	-	-	54.84	54.84	-	-	-	-
<b>TOTAL</b>	<b>7,732.78</b>	<b>-</b>	<b>4,946.06</b>	<b>12,678.84</b>	<b>7,729.03</b>	<b>-</b>	<b>3.75</b>	<b>7,732.78</b>
<b>Financial liabilities</b>								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	-	-	-	-	-	-
Short term borrowings	-	-	-	-	-	-	-	-
Trade and other payables	-	-	3,055.65	3,055.65	-	-	-	-
Other financial liabilities	-	-	19.14	19.14	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>3,074.80</b>	<b>3,074.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	As at 31 March 2024 (₹ in Lakhs)							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents (Including other bank balances)	-	-	305.52	305.52	-	-	-	-
Investments								
- Investments in Equity shares of subsidiaries (Unquoted)			190.00	190.00	-	-	-	-
- Mutual Funds	6,065.29	-	-	6,065.29	6,065.29	-	-	6,065.29
- Equity Shares (Quoted)	346.73	-	-	346.73	346.73	-	-	346.73
- Equity Shares (Unquoted)	3.79	-	-	3.79	-	-	3.79	3.79
- Secured Non Convertible Redeemable Bonds	-	-	50.00	50	-	-	-	-
Trade and other receivables	-	-	4,869.72	4,869.72	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Other financial assets	-	-	40.21	40.21	-	-	-	-
<b>TOTAL</b>	<b>6,415.81</b>	<b>-</b>	<b>5,455.46</b>	<b>11,871.27</b>	<b>6,412.02</b>	<b>-</b>	<b>3.79</b>	<b>6,415.81</b>
<b>Financial liabilities</b>								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	-	-	-	-	-	-
Short term borrowings	-	-	-	-	-	-	-	-
Trade and other payables	-	-	2,927.21	2,927.21	-	-	-	-
Other financial liabilities	-	-	16.51	16.51	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>2,943.73</b>	<b>2,943.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**B. Measurement of fair values**

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

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

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

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

**Transfers between Levels**

There are no transfers between the levels

**C. Financial risk management**

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

**i. Risk management framework**

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

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

**ii. Credit risk**

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

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

**Trade and other receivables**

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

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

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

### Cash and cash equivalents

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

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

### iii. Liquidity risk

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

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

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

Sr No	As at 31st March, 2025	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Trade payables	20	3,055.65	3,022.29	33.36
2	Other Financials Liability	21	19.14	19.14	-
3	Other Current Liabilities	22	675.05	675.05	-
<b>TOTAL</b>			<b>3,749.85</b>	<b>3,716.49</b>	<b>33.36</b>

Sr No	As at 31st March, 2024	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Trade payables	20	2,927.21	2,880.13	47.09
2	Other Financials Liability	21	16.51	16.51	-
3	Other Current Liabilities	22	694.19	694.19	-
<b>TOTAL</b>			<b>3,637.92</b>	<b>3,590.83</b>	<b>47.09</b>

### iv. Market risk

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

#### a) Currency risk

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

**Exposure to currency risk**

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

- a The Company has not entered into forward contracts to hedge the foreign currency risks arising from amounts designated in foreign currency.
- b **Foreign Currency Exposures at the year end not hedged by derivative instruments:**

Currency	Nature	As at 31/03/2025		As at 31/03/2024	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
US Dollars	Liability	1.43	122.02	1.06	88.45
CHF	Asset	-	-	0.03	3.14
Euro	Asset	-	-	0.01	0.87
US Dollars	Asset	-	-	0.40	27.39

**b) Interest rate risk**

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

**37 Employee Benefit obligations**
**(A) Defined contribution plan**

Contributions are made to Employee Provident Fund (EPF), Employees State Insurance Scheme (ESIC) and other Funds which covers all regular employees. Both the employees and the Company make predetermined contributions to the Provident Fund and ESIC. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, is as detailed below.

**Particulars**

(₹ In Lakhs)

	Year ended 31.03.2025	Year ended 31.03.2024
Contribution to Provident Fund	107.88	105.96
Contribution to Superannuation Fund	13.26	11.79
Contribution to ESIC	1.57	1.87
Contribution to Labour Welfare Fund	0.30	0.15
<b>TOTAL</b>	<b>123.02</b>	<b>119.78</b>



**(B) Defined Benefit Plan**

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

(₹ In Lakhs)

	As at 31 March 2025	As at 31 March 2024
	<b>(Funded Plan)</b>	
<b>(i) Change in Defined Benefit Obligation</b>		
Opening defined benefit obligation	426.88	380.67
Amount recognised in profit and loss		
Transfer in/(out) obligation	2.12	
Current service cost	43.57	41.29
Interest cost	31.08	28.58
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:	(0.12)	0.30
Return on Plan Assets		
Financial assumptions	(8.23)	14.35
Benefits paid	(20.96)	(38.32)
Closing defined benefit obligation	<b>474.33</b>	<b>426.88</b>
<b>(ii) Change in Fair Value of Assets</b>		
Opening fair value of plan assets	403.72	358.80
Amount recognised in profit and loss		
Transfer in/(out) obligation	2.19	
Interest income	29.43	26.92
Amount recognised in other comprehensive income		
Actuarial gain / (loss)		
Return on Plan Assets, Excluding Interest Income	(0.69)	(3.99)
Contributions by employer	30.58	60.60
Benefits paid	(20.96)	(38.32)
Closing fair value of plan assets	<b>444.27</b>	<b>403.72</b>
Actual return on Plan Assets	28.74	22.93
<b>(iii) Plan assets comprise the following</b>		
	<b>Unquoted</b>	<b>Unquoted</b>
Insurance fund (100%)	444.27	403.27
(The Company has this investment in Group Gratuity Policy with LIC. The details of further investment by LIC is not available with the Company.)		
<b>(iv) Principal actuarial assumptions used</b>	%	%
Discount rate	6.63	7.25
Withdrawal Rate	1.00	1.00
Future Salary Increase	5.00	5.00
<b>(v) Amount recognised in the Balance Sheet</b>		
Present value of obligations as at year end	474.33	426.88
Fair value of plan assets as at year end	444.27	403.72
Net (asset) / liability recognised as at year end	30.06	23.16
Recognised under :		
Short term provisions	22.72	0.58
Long term provisions	7.34	22.58
<b>TOTAL</b>	<b>30.06</b>	<b>23.16</b>

**(vi) Sensitivity analysis**

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

	As at 31st March, 2025		As at 31st March, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate 1%/(0.5%) movement - Gratuity	(6.00)	6.90	(5.80)	6.70
Future salary growth 1%/(0.5%) movement - Gratuity	6.90	6.10	6.80	(6.00)

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

**(vii) Expected future cash flows**

The expected maturity analysis is as follows :	(₹ In Lakhs)	
	For year ended 31.03.2025	For year ended 31.03.2024
Expected benefits for year 1	72.78	74.17
Expected benefits for year 2	17.30	3.07
Expected benefits for year 3	10.13	16.81
Expected benefits for year 4	25.66	8.67
Expected benefits for year 5	9.79	23.93
Expected benefits for year 6 and above	97.84	109.18

**38 Related Party Disclosures**

Related party disclosures as required under Accounting Standard on “Related Party Disclosures” issued by the Institute of Chartered Accountants of

a) Relationship:

**i. Subsidiary Companies:**

Chembond Biosciences Limited

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

Sameer V. Shah, Nirmal V. Shah, Ashwin Nagarwadia, Jayesh P. Shah, Dr. Prakash D. Trivedi, Gors A. Parekh , Mayank P. Shah, Rashmi S. Gavli, Suchita H. Singh, Bhadresh D. Shah, Mahendra Ghelani, Sushil Lakhani

**Relatives :**

Sameer Shah HUF, Shilpa Shah, Padma Shah, Raunaq Shah, Mallika Shah, Amrita Shah, Shashank (Amrita Husband), Alpna Shah, Jyoti Mehta, Nirmal Vinod Shah HUF, Mamta Shah, Rahil Shah, Kshitija Shah, Sameer L. Gavli, Madan Nilkhanthrao Tipnis, Rati M. Tipnis, Nupur S. Gavli, Tushar M. Tipnis, Yogita Tushar Tipnis, Hemant Singh, Ranganath Shastri, Mohan Sharma, Premlata Shastri, Shreeya Singh, Krishna Singh.

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

CCL Opto Electronics Pvt Ltd., Finor Piplaj Chemicals Ltd., S and N Ventures Private Ltd., Visan Holdings Pvt Ltd and ., Visan Trust, Chembond Water Technologies Ltd. Chembond Clean Water Technologies Ltd, Chembond Distribution Ltd, CCL Products LLC

(₹ In lakhs)

For the year ended/as on	31.03.2025			31.03.2024		
Description of the nature of transactions	Subsidiary	KMP, Relatives and entities where KMP are interested	Total	Subsidiary	KMP, Relatives and entities where KMP are interested	Total
<b>Sales of Goods</b>	<b>111.20</b>	<b>17.43</b>	<b>128.63</b>	<b>247.42</b>	<b>23.57</b>	<b>270.99</b>
Chembond Water Technologies Ltd	-	9.74	9.74	-	18.12	18.12
Chembond Clean Water Technologies Ltd	-	7.69	7.69	-	5.45	5.45
Chembond Distribution Ltd			-			-
Chembond Biosciences Ltd	111.20		111.20	247.42		247.42
<b>Purchase of Goods</b>	<b>73.92</b>	<b>77.18</b>	<b>151.10</b>	<b>40.23</b>	<b>59.18</b>	<b>99.42</b>
Chembond Water Technologies Ltd	-	1.76	1.76	-	3.70	3.70
Chembond Distribution Ltd	-	75.42	75.42	-	55.48	55.48
Chembond Biosciences Ltd	73.92	-	73.92	40.23	-	40.23
<b>Purchase of Fixed Assets</b>	<b>0.49</b>	<b>-</b>	<b>0.49</b>	<b>-</b>	<b>-</b>	<b>-</b>
Chembond Biosciences Ltd	0.49	-	0.49	-	-	-
<b>Interest Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.02</b>	<b>-</b>	<b>0.02</b>
Chembond Biosciences Ltd	-	-	-	0.02	-	0.02
<b>SubContract Receipt (Revenue)</b>	<b>89.18</b>	<b>-</b>	<b>89.18</b>	<b>84.06</b>	<b>-</b>	<b>84.06</b>
Chembond Biosciences Ltd	89.18	-	89.18	84.06	-	84.06
<b>Corporate Gurantee Fees (Income)</b>	<b>-</b>	<b>24.00</b>	<b>24.00</b>	<b>-</b>	<b>21.56</b>	<b>21.56</b>
Chembond Water Technologies Ltd	-	24.00	24.00	-	21.56	21.56
<b>Management Service Charges (Income)</b>	<b>-</b>	<b>200</b>	<b>200.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Chembond Water Technologies Ltd	-	200	200.00	-	-	-
<b>Rental Expenses</b>	<b>-</b>	<b>1.20</b>	<b>1.20</b>	<b>-</b>	<b>1.20</b>	<b>1.20</b>
Chembond Water Technologies Ltd	-	1.20	1.20	-	1.20	1.20
<b>Director Remuneration*</b>	<b>-</b>	<b>138.63</b>	<b>138.63</b>	<b>-</b>	<b>126.02</b>	<b>126.02</b>
Sameer V .Shah	-	138.63	138.63	-	126.02	126.02

<b>Director Sitting Fees</b>	-	<b>20.80</b>	<b>20.80</b>	-	<b>16.60</b>	<b>16.60</b>
Ashwin Nagarwadia	-	5.40	5.40	-	4.50	4.50
Mahendra Ghelani	-	3.50	3.50	-	3.80	3.80
Sushil Lakhani	-	3.10	3.10	-	3.50	3.50
Saraswati Sankar	-	3.70	3.70	-	1.90	1.90
Dr.Prakash Trivedi	-	3.70	3.70	-	2.90	2.90
Jayesh Shah	-	1.40	1.40	-	-	-
<b>Salaries</b>	-	<b>9.13</b>	<b>9.13</b>	-	<b>4.78</b>	<b>4.78</b>
Raunaq S. Shah	-	9.13	9.13	-	4.78	4.78
<b>Professional &amp; Consulting Fees</b>	-	<b>57.17</b>	<b>57.17</b>	-	<b>35.74</b>	<b>35.74</b>
Bhadresh D. Shah	-	41.97	41.97	-	35.74	35.74
CCL Products LLC	-	15.20	15.20	-	-	-
<b>Key Management Personal Remuneration</b>	-	<b>123.16</b>	<b>123.16</b>	-	<b>102.46</b>	<b>102.46</b>
Rashmi S Gavli	-	98.16	98.16	-	80.12	80.12
Suchita H Singh	-	25.00	25.00	-	22.35	22.35
<b>Royalty</b>	-	<b>6.23</b>	<b>6.23</b>	-	<b>14.32</b>	<b>14.32</b>
S and N Ventures Pvt Ltd	-	6.23	6.23	-	14.32	14.32
<b>Balance at the end of the year</b>						
<b>A. Loan Taken</b>	-	-	-	<b>25.00</b>	-	<b>25.00</b>
Chembond Biosciences Ltd	-	-	-	25.00	-	25.00
<b>B. Loan Repaid</b>	-	-	-	<b>25.00</b>	-	<b>25.00</b>
Chembond Biosciences Ltd	-	-	-	25.00	-	25.00
<b>C. Sundry Debtors</b>	<b>991.79</b>	<b>3.85</b>	<b>995.64</b>	<b>953.49</b>	<b>1.52</b>	<b>955.01</b>
Chembond Water Technologies Ltd	-	2.56	2.56	-	-	-
Chembond Clean Water Technologies Ltd	-	1.29	1.29	-	1.52	1.52
Chembond Biosciences Ltd	991.79	-	991.79	953.49	-	953.49
<b>D. Sundry Creditors</b>	-	<b>18.40</b>	<b>18.40</b>	-	<b>21.02</b>	<b>21.02</b>
Chembond Water Technologies Ltd	-	3.58	3.58	-	0.10	0.10
Chembond Distribution Ltd	-	3.38	3.38	-	20.92	20.92
CCL Products LLC	-	11.44	11.44	-	-	-

### 39 Capital Management

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

As at 31st March, 2025, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

(Refer Note. 42 for Debt/Equity ratio)

### 40 Tax Reconciliation

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

Particulars

Current Income Tax

Deferred Tax Expense

**Tax expense for the year**

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

Profit before income tax expense

Indian statutory income tax rate (MAT)

Expected Income Tax expenses

#### Part A

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

Additional allowances/deduction

Transition gain

Short/Excess Provision

Others

Current Tax (A)

#### Part B

Deferred Tax Effect at the rate of:

Depreciation

Investments at Fair Value

Less:

Gratuity

MAT Credit

Accrued expenses allowed in the year of payment

Provision for expected credit loss

Deferred Tax (B)

**Tax Expense (A+B)**

	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
	328.06	595.59
	(131.37)	(35.18)
	<b>196.69</b>	<b>560.42</b>
	1,919.05	1,942.87
	17.47%	17.47%
	335.30	339.46
	329.68	340.56
	-	-
	-	-
	(1.62)	255.04
	328.06	595.59
	(168.27)	9.99
	353.30	(74.67)
	13.93	(12.74)
	(312.07)	40.79
	(30.18)	12.03
	11.93	(10.58)
	(131.37)	(35.18)
	<b>196.69</b>	<b>560.42</b>

<b>41 Contingent Liabilities and Commitments (To the extent not provided for) :</b>	<b>As at 31/03/2025</b> (₹ In lakhs)	<b>2023-2024</b> (₹ In lakhs)
<b>A) Contingent Liabilities not provided for :</b>		
<b>a) Claims against the company not acknowledged as debts -</b>		
i) Income Tax matter under Appeal	14.39	14.61
ii) TDS Default	6.21	1.85
iii) Service tax due as per final audit report and show cause notice	259.42	259.42
iv) Income tax demands pending for rectification	412.13	412.13
v) GST Demand on sale of Thane Plot- Dy Commissioner of State Tax	178.48	-
vi) Davendra Feeds India Private Limited has lodged. F.I.R dated 24th June, 2022 with police station Safidon District Jind Haryana against Chembond Chemicals Limited, Mr Sameer Shah (Chairman & Managing Director) and 3 other current & ex-employees, with respect to damage caused by inferior quality of Products. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is being currently considered by the Competent Authorities and Courts.		-
<b>b) Counter Guarantees given by Company for Bank Guarantees issued -</b>		
i) Corporate Guarantee given to Bank of India by the Company on behalf	2,550.00	2,550.00
of Chembond Water Technologies Ltd. & Chembond Clean Water Technologies Ltd.		
<b>c) Show cause notice for stamp duty-</b>		
During the year Chembond Material Technologies Private Limited (CMTPL) has received show cause notice from stamp duty department of Maharashtra with respect to non payment of stamp duty on NCLT order for amalgamation of Chembond Polymers and Materials Limited with CMTPL. Pursuant to Scheme of Arrangement approved by NCLT in April 2025, CMTPL has been amalgamated with the Company. The response has been filed with concerned authority and the amount of liability cannot be determined at this stage.	-	-



**42 Ratios**

(₹ in lakhs except otherwise stated)

**Financial Ratios**
**(a) Current Ratio**

Current Assets(A)	10,018.23	9,873.70	
Current Liabilities(B)	3,772.57	3,732.45	

**Current Ratio( A/B)**
**2.66 2.65 0.38%**
**(b) Debt-Equity Ratio**

Total Borrowings(A)	-	83.91	
Total Shareholders' Equity(B) - Total Equity	16,400.52	15,143.41	

**Debt-Equity Ratio( A/B)**
**- 0.01 0.00%**
**(c) Debt Service Coverage Ratio #**

Earning for Debt service = Net Profit after taxes +  
Non-cash operating expenses + interest + Other  
adjustments

Interest on Loan+Loan repayment in a year(B)

1,470.52	1,100.31	
1.85	9.01	

**Debt Service Coverage Ratio( A/B)**
**795.49 122.17 551.13%**
**(d) Return on Equity Ratio (in %)#**

Net Profit(A)	1,722.36	1,382.45	
Average Shareholders Equity(B)	16,400.52	15,143.41	

**Return on Equity Ratio( A/B)**
**10.50% 9.13% 15.04%**
**(e) Inventory turnover ratio**

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

Average Inventory(B)

9,860.19	9,160.36	
1,478.62	1,312.01	

**Inventory turnover Ratio( A/B)**
**6.67 6.98 -4.49%**
**(f) Trade receivables turnover ratio**

Net sales(A)	17,120.70	15,334.04	
Accounts receivable(B)	4,084.83	4,869.72	

**Trade receivable turnover Ratio( A/B)**
**4.19 3.15 33.11%**
**(g) Trade Payables turnover ratio**

Net Purchases(A)	9,860.19	9,160.36	
Trade payable (B)	3,055.65	2,927.21	

**Trade Payables turnover Ratio( A/B)**
**3.23 3.13 3.12%**
**(h) Net Capital turnover ratio**

Net sales(A)	17,120.70	15,334.04	
Working capital (ie. Total current assets less Total current liabilities)	6,245.66	6,141.25	

**Net Capital turnover Ratio( A/B)**
**2.74 2.50 9.79%**
**(i) Net Profit ratio #**

Net Profit(A)	1,722.36	1,382.45	
Net Sales(B)	17,120.70	15,334.04	

**Net Profit Ratio( A/B)**
**10.06% 9.02% 11.59%**

(₹ in lakhs except otherwise stated)

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

EBIT(A) - PBT+Finance Costs (A)  
Shareholders Equity+Long term liabilities(B) -  
Total Equity

FY 2024-2025	FY 2023-2024	Variance
1,928.10	1,967.59	
16,400.52	15,143.41	
<b>11.76%</b>	<b>12.99%</b>	<b>-9.52%</b>

**Return on Capital employed( A/B)**
**(k) Return on Investment (in %)#**

Income generated from Invested funds (Dividend  
Income + Realised and unrealised gain from fair  
value of investmements) (A)  
Average cost of Investments(B)

590.53	699.89	
7,382.25	5,955.92	
<b>8.00%</b>	<b>11.75%</b>	<b>-31.93%</b>

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

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

f.# Trade Receivables Turnover ratio has improved on account of improvemet in collection days and better realisation from Trade Recievable.

k#- ROI on Mutual Fund Investment has reduced on account of decerasing yield on debt and equity funds.

**43 Ageing Schedule for Trade receivables**

Ageing for trade receivables outstanding as on 31st Mar'25 is as follows :

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	2,671.00	893.38	520.44	-	-	-	4,084.83
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) undisputed trade receivables - credit impaired	-	-	-	-	65.58	169.40	234.98
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	-	-	-	-	(65.58)	(169.40)	(234.98)
<b>Trade receivables</b>	<b>2,671.00</b>	<b>893.38</b>	<b>520.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,084.83</b>

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

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	2,602.31	1,787.07	480.34	-	-	-	4,869.72
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) undisputed trade receivables - credit impaired	-	-	-	76.45	86.72	95.88	259.04
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	-	-	-	(76.45)	(86.72)	(95.88)	(259.04)
<b>Trade receivables</b>	<b>2,602.31</b>	<b>1,787.07</b>	<b>480.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,869.72</b>

**44 Ageing Schedule for Trade Payables**
**Ageing for trade Payables outstanding as on 31st Mar'25 is as follows :**

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Not Due	1 -2 yrs	2-3 yrs	More than 3 yrs.	
I) MSME	293.77	-	-	-	293.77
II) Others	1,886.08	-	17.98	15.38	2,761.88
III) Disputed dues - MSME	-	-	-	-	-
IV) Disputed dues - Others	-	-	-	-	-
<b>Net trade payables</b>	<b>2,179.85</b>	<b>-</b>	<b>17.98</b>	<b>15.38</b>	<b>3,055.65</b>

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

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs.	
I) MSME	290.73	-	-	-	-	290.73
II) Others	1,445.02	1,144.37	15.68	25.29	6.11	2,636.48
III) Disputed dues - MSME	-	-	-	-	-	-
IV) Disputed dues - Others	-	-	-	-	-	-
<b>Net trade payables</b>	<b>1,735.75</b>	<b>1,144.37</b>	<b>15.68</b>	<b>25.29</b>	<b>6.11</b>	<b>2,927.21</b>

#### 45 Ageing Schedule for Capital Work in Progress

Ageing for CWIP as on 31st Mar'25 is as follows :

(₹ In Lakhs)

Particulars	Amount in CWIP for period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in progress	130.48	84.80	535.28	-	750.56
ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>130.48</b>	<b>84.80</b>	<b>535.28</b>	<b>-</b>	<b>750.56</b>

Ageing for CWIP as on 31st Mar'24 is as follows :

(₹ In Lakhs)

Particulars	Amount in CWIP for period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in progress	55.63	1,263.90	-	14.85	1,334.38
ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>55.63</b>	<b>1,263.90</b>	<b>-</b>	<b>14.85</b>	<b>1,334.38</b>

#### 46 Additional regulatory information not disclosed elsewhere in the financial information

- A The Company do not have any Benami property and no proceedings have been initiated or pending against the Company and its Indian subsidiaries for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- B The Company do not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, during the FY 24-25 & FY 23-24
- C The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

- D The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- E The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- F The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.
- G The Company has not been declared as a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- H The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

#### **47 Working Capital Facilities:-**

##### **Details of credit facilities from banks:**

The Company has sanctioned credit facilities from HDFC Bank of Rs. 472.50 lakhs and Bank of India of Rs. 100.00 Lakhs (i.e cash credit facility - Rs.320.00 lakhs, letter of credit - Rs. 209.60 lakhs and Bank Guarantee - Rs. 42.89 lakhs)

The Company has not utilised cash credit facilities at the year end.

##### **Terms of loan**

- a) The credit facility carries interest at mutually agreed rates,(interest payable on monthly rests).
  - b) The credit facility is secured by : Hypothecation of stocks and bookdebts, Factory land & building.
- Utilisation of borrowings :
- (a) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
  - (b) The quarterly returns/statements of current assets filed by the Company with banks or financial institutions in relation to secured borrowings wherever applicable, are in agreement with the books of accounts.

#### **48 Audit Trail**

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

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

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

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

#### 49 Events occurring After Balance sheet date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and / or reporting of any of these events and transactions in the financial statements. Pursuant to the Composite Scheme of Arrangement approved by the Hon'ble NCLT on April 7, 2025 Further the Company has filed the certified copy of the said order with the Registrar of Companies on 3rd May 2025. These events, occurring after the reporting date but before the approval of the financial statements, have been Adjusted and Disclosed in accordance with Ind AS 110.

##### **Composite scheme of arrangement:**

Chembond Chemicals Limited (Demerged / CCL / Company), Chembond Chemical Specialties Limited ("Resulting Company", CCSL), Chembond Clean Water Technologies Limited (CCWTL), Chembond Material Technologies Private Limited (CMTPL), Phiroze Sethna Private Limited (PSPL) and Gramos Chemicals India Private Limited (GCIPL) and their respective shareholders have entered into a Composite Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 ("Scheme") which contemplates Amalgamation of CMTPL, PSPL and GCIPL with CCL, demerger of "Construction Chemicals and Water Technologies chemicals" business from CCL to CCSL and amalgamation of CCWTL into CCSL, as on the Appointed Date of 1st April, 2024. The said Scheme was approved by the National Company Law Tribunal, Mumbai Bench ("NCLT") on 7th April, 2025 and the Company has received the certified order copy on 22nd April 2025. The Company has filed the certified copy of the said order with the Registrar of Companies for CCL, CCSL, CMTPL, PSPL, GCIPL and CCWTL on 29/04/2025, 30/04/2025, 01/05/2025, 01/05/2025, 02/05/2025 and 03/05/2025 respectively, as such the Scheme has become effective from the respective dates for all the companies involved in the Scheme.

Upon demerger, the Resulting Company is required to issue its equity shares to each shareholder of the Demerged Company as on record date in 1:2 swap ratio (i.e., for every one share held in the Demerged Company, two shares of Rs. 5 each will be issued by the Resulting Company). The said allotment of 2,68,96,576 shares has been approved by the Allotment Committee of CCSL on 13/05/2025 and the equity shares were allotted to the shareholders in the said ratio.

#### 50 Accounting Treatment as per IND AS 103- Business Combination:

**Pursuant to the Composite Scheme of Arrangement the following transactions related to CMTL were effected:**

##### **Demerger of (WT) and (CC ) Undertaking of CMTL and transfered to CCSL**

The Water Technologies (WT) and Construction Chemicals (CC) business undertaking of Chembond Material Technologies Limited ("the Demerged Company" formerly Known as Chembond Chemicals Limited) was demerged and transferred to Chembond Chemical Specialties Limited ("CCSL" or "the Resulting Company") with effect from the Appointed Date, i.e., 1st April 2024.

##### **Amalgamation of CMTPL, PSPL & GCIPL with CMTL.**

Subsequently, Chembond Material Technologies Private Limited (CMTPL), Phiroze Sethna Private Limited (PSPL) & Gramos Chemicals India Private Limited (GCIPL) was amalgamated with CMTL as part of the Scheme.

The above transactions has been accounted for as a common control business combination in accordance with Appendix C of Ind AS 103 – Business Combinations, using the pooling of interest method. Accordingly:

- (a) The assets, liabilities, and reserves of CMTPL, PSPL & GCIPL have been transferred to and vested in CMTL at their respective carrying values.
- (b) The standalone financial results for the quarter and year ended 31st March 2025 include the merged financial results of the CMTPL, PSPL & GCIPL and effect of Demerger of CMTL for the relevant period as per the method of accounting prescribed in the Scheme and in accordance with principles of Indian Accounting Standards, including IND AS 103 (Business Combinations)



(c) The comparative figures year ended 31st March 2024, have been restated to include the corresponding financial results of the CMTPL, PSPL & GC IPL and demerger of CMTL for those periods, to ensure comparability.

**51.** Pursuant to Part IV of Composite scheme of arrangement which was approved by the National Company Law Tribunal, Mumbai Bench (“NCLT”) on 7th April, 2025, Chembond Chemicals Limited is now renamed as “Chembond Material Technologies Limited”(“CMTL”) with effect from 27th May 2025.

**52. Fire Incident:**

Exceptional Item of ₹154.74 lakhs, arising on account of full and final settlement of insurance claim related to Replacement value of Property plant & Equipement that had damaged due to fire incident occurred at the Tarapur plant in the month of April 2022.

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

**54.** In addition to the restatement pursuant to scheme of arrangement as per note 50 above, the previous year figures have been regrouped, reallocated and reclassified wherever necessary to confirm with current year classification and presentation.

As per our attached report of even date

**For S H B A & CO LLP**  
(Formerly known as Bathiya & Associates LLP)  
Chartered Accountants  
FRN - 101046W/W100063

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767

Mumbai, 30th May 2025

**On behalf of the Board of Directors**

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

**Rashmi S. Gavli**  
Chief Financial Officer

Mumbai, 30th May 2025

**Jayesh Shah**  
Director  
DIN: 00138346

**Suchita Singh**  
Company Secretary

## INDEPENDENT AUDITOR'S REPORT

### To the Members of

### Chembond Material Technologies Limited

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

#### Opinion

We have audited the consolidated financial statements of Chembond Material Technologies Limited ("the Company", formerly known as Chembond Chemicals Limited) and its subsidiary listed in **Annexure - A** (the Company, its subsidiary, together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2025, the consolidated statement of Profit and Loss (Including Other comprehensive Income), the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards as amended) Rules, 2015 and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2025, of its consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year then ended on that date.

#### Basis for Opinion

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

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

with these requirements and the Code of Ethics.

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

#### Emphasis of Matter

1. We draw attention to Note 50 & 51 to the financial Statement, regarding the Composite Scheme of Arrangement for amalgamation and demerger (the "Scheme") whereby Chembond Material Technologies Private Limited (CMTPL), Phiroze Sethna Private Limited (PSPL) and Gramos Chemicals India Private Limited (GCIPL) amalgamated with the Company and "Construction Chemicals and Water Technologies chemicals" business was demerged from the Company to Chembond Chemical Specialties Limited as on the appointed date of 1<sup>st</sup> April, 2024. The Hon'ble National Company Law Tribunal (the NCLT) has approved the Scheme vide its Order dated 7<sup>th</sup> April 2025 and the said Order was filed with the Ministry of Corporate Affairs (MCA) by the Company and other companies involved in the Scheme on various dates as reported in Note 49 to the consolidated financial Statements.

In accordance with the Scheme approved by the NCLT, the Company has given effect to the scheme from appointed date specified therein i.e. 1<sup>st</sup> April, 2024, and accordingly, as required under IND AS - 103 the comparative financial information of the Company forming part of the Statement for the periods beginning from 1<sup>st</sup> April, 2023 have been restated. Our opinion on the Statement is not modified in respect of these matters.

Our report on the Statement is not modified in respect of the above matter.

#### Key Audit Matters

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

Key Audit Matters	How our audit addressed the key audit matter
<p><b>1. Composite Scheme of Arrangement:</b></p> <p><b>Accounting for the effects of the composite scheme of arrangement in respect of merger &amp; subsequent demerger:</b></p> <p>(Refer to Note 50 and Note 51 in the Consolidated financial statements)</p> <p>The company has entered in a Composite scheme of Arrangement (“the Scheme”) for merger of Chembond Material Technologies Private Limited (CMTPL) , Phiroze Sethna Private Limited (PSPL), and Gramos Chemicals India Private Limited (GC IPL) and subsequent demerger of “Construction Chemicals and Water Technologies chemicals” business to Chembond Chemicals Specialties Limited (CCSL).The Scheme has been approved by the National Company Law Tribunal Mumbai Bench (NCLT) vide order dated 07th April, 2025</p> <p>This is a key audit matter as the scheme has a pervasive impact on the Consolidated financial statements of the company.</p> <p>The Company has accounted for merger and demerger in its books as per the Composite Scheme of arrangement as approved by the NCLT.</p> <p><b>2. Contingent liabilities</b></p> <p>The Group has disclosed in note no. 41 to the consolidated financial statements the contingent liabilities as at 31 March, 2025 which includes disputed liabilities in respect of income tax, service tax matters, GST demand and a case lodged against the Group with respect to inferior quality of products.</p> <p>These involve a high degree of judgement to determine the possible outcomes and estimates relating to the timing and the amount of outflows of resources embodying economic benefits.</p>	<p>a) Obtained and reviewed the documents filed by the Company with the Registrar of Companies, including the Order of the Hon’ble NCLT, Mumbai Bench, approving the Comprehensive Scheme of Arrangement.</p> <p>b) Read and obtained an understanding of the Composite Scheme of Arrangement approved by the National Company Law Tribunal.</p> <p>c) Tested the management-prepared workings relating to the merger and demerger, including the restatement of comparative figures for the previous year, in accordance with the pooling of interest method as prescribed under Appendix C of Ind AS 103.</p> <p>d) Obtained and reviewed the external report opining on the fair share entitlement ratio</p> <p>e) Verified the workings for the transfer of assets and liabilities pertaining to the demerged undertakings, ensuring consistency with the approved Scheme, applicable accounting standards and consolidated financial statements of the Company.</p> <p>f) Evaluated the accounting treatment adopted by the Company in respect of the Scheme for compliance with the requirements of Ind AS 103 and other relevant Indian Accounting Standards</p> <p>g) Assessed the adequacy and appropriateness of disclosures made in the consolidated financial statements to ensure compliance with applicable presentation and disclosure requirements.</p> <p>h) Evaluated the design and tested the operating effectiveness of the controls over the accounting for business combination.</p>

### Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

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

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

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

obtained in the audit or otherwise appears to be materially misstated.

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

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

The accompanying consolidated financial statements have been approved by the Company’s Board of Directors. The Company’s Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes

in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence

regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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

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

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

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

#### Other Matters

- a) We did not audit the financial statements of a subsidiary included in the Consolidated Financial Results, whose financial results, without giving effect to elimination of intra-group transactions, reflect total asset of Rs. 1,175.32 lakhs as at March 31, 2025, total revenue from operations of Rs.

862.91 lakhs and Rs. 3,281.46 lakhs for the quarter and year ended March 31, 2025 respectively, total profit after tax of Rs. 39.06 lakhs and Rs. 33.88 lakhs for the quarter and year ended March 31, 2025 respectively, total comprehensive income of Rs. 40.44 lakhs and Rs.35.20 lakhs for the quarter and year ended March 31, 2025 respectively and net cash outflow of Rs. 19.86 lakhs for the year ended March 31, 2025, as considered in the Statement. These financial statements have been audited by the other auditors, whose report have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosure included in respect of this subsidy is based solely on the report of the other auditors and the procedures performed by us as stated under the Auditors Responsibilities section above.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion proper books of account as required by law relating to preparation of the consolidated financial statements have been kept by the Company so far as it appears from our examination of those books *except for the matters stated in 2(vi) below*.
  - c. The consolidated Balance Sheet, the consolidated statement of Profit and Loss including Other Comprehensive Income, the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.



- e. On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors of the Company, its subsidiary incorporated in India and the reports of the statutory auditors of those companies, none of the directors of the Group is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in paragraph 1(b) above on reporting under section 143(3)(b) of the Act and paragraph 2(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure - B"**.
2. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the consolidated financial statements disclose impact of pending litigations on the financial position of the Group. – Refer Note no. 41 to the consolidated financial statements;
    - ii. the Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
    - iv. a. The respective managements of the Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and auditors of such subsidiary, respectively that, to the best of their knowledge and belief, as disclosed in note no. 47(C) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company or its subsidiary companies, to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The respective managements of the Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note no. 47(D) to the accompanying consolidated financial statements, no funds have been received by the Company or its subsidiary companies, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company, or any such subsidiary companies, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
    - v. The dividend declared and paid during the year by the Company and its Indian subsidiary is in compliance with Section 123 of the Act.
    - vi. Based on our examination which included test checks, the Group has used accounting software, a payroll application and employee reimbursement software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the



same has operated throughout the year for all relevant transactions recorded in the software / application. However, audit trail feature is not enabled at the database level for accounting software to log any direct data changes as described in note no. 49 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 and the audit trail has been preserved in accordance with the requirements of section 128(5) of the Companies Act, 2013 for record retention.

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

In our opinion and according to the information and explanations given to us and the reports of the statutory auditors of its subsidiary incorporated

in India, the Company and its subsidiary where applicable has paid and / or provided remuneration to its directors during the year ended 31<sup>st</sup> March, 2025 in accordance with the provisions of Section 197 of the Act.

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

**For S H B A & CO LLP**

(Formerly known as Bathiya & Associates LLP)

Chartered Accountants

Firm Registration No. 101046W / W100063

**Jatin A. Thakkar**

Partner

Membership No.: 134767

UDIN: 25134767BMJEVA5128

Place: Mumbai

Date: 30<sup>th</sup> May 2025

## Annexure - A List of subsidiary included in the Consolidated Financial Statements

Sr. No.	Name of the entity	Relationship
1.	Chembond Biosciences Limited	Subsidiary Company

## Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31<sup>st</sup> March 2025)

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

In conjunction with our audit of the consolidated financial statements of the Company for the year ended 31<sup>st</sup> March 2025, we have audited the internal financial controls over financial reporting of Chembond Material Technologies Limited ("the Company") and its subsidiary which are incorporated in India as of 31<sup>st</sup> March, 2025.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2025, based on the internal control over financial reporting criteria established by the Company and its subsidiary incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For S H B A & CO LLP**

(Formerly known as Bathiya & Associates LLP)  
Chartered Accountants  
Firm Registration No. 101046W / W100063

### **Jatin A. Thakkar**

Partner  
Membership No.: 134767  
UDIN: 25134767BMJEVA5128

Place: Mumbai  
Date: 30<sup>th</sup> May 2025



## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2025

	Notes	As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	3,325.49	2,556.50
(b) Capital work-in-progress	2	750.56	1,334.38
(c) Other Intangible Assets	2	28.82	36.71
(e) Financial Assets			
i) Investments	3	4,932.96	4,239.83
ii) Other financial assets	4	236.70	39.03
(f) Deferred tax Assets (net)	5	302.73	165.73
(g) Income tax asset (net)	6	464.18	529.30
(h) Other non-current assets	7	3.69	2.23
<b>Total Non-current assets</b>		<b>10,045.11</b>	<b>8,903.72</b>
<b>Current Assets</b>			
(a) Inventories	8	1,621.73	1,563.14
(b) Financial Assets			
i) Investments	9	2,849.82	2,225.98
ii) Trade receivables	10	3,991.71	4,869.66
iii) Cash and cash equivalents	11	600.72	360.11
iv) Bank balances other than (iii) above	12	759.52	954.91
v) Loans	13	0.25	-
vi) Other financial assets	14	54.84	40.21
(c) Other current assets	15	250.27	206.33
<b>Total Current Assets</b>		<b>10,128.85</b>	<b>10,220.34</b>
<b>Total Assets</b>	<b>Total</b>	<b>20,173.96</b>	<b>19,124.06</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
(a) Share capital	16	672.41	672.41
(b) Other equity	17	14,944.13	13,651.82
<b>Total Equity</b>		<b>15,616.54</b>	<b>14,324.24</b>
<b>Liabilities</b>			
<b>1) Non-Current Liabilities</b>			
(a) Provisions	18	7.34	12.47
<b>Total Non-current liabilities</b>		<b>7.34</b>	<b>12.47</b>
<b>2) Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	19	264.63	668.30
ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	365.09	329.17
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	2,910.42	2,861.20
iii) Other financial liabilities	21	19.14	16.51
(b) Other current liabilities	22	968.08	901.55
(c) Short term provisions	23	22.72	10.62
<b>Total Current Liabilities</b>		<b>4,550.08</b>	<b>4,787.35</b>
<b>Total Equity &amp; Liabilities</b>	<b>Total</b>	<b>20,173.96</b>	<b>19,124.06</b>
Material Accounting Policies, key accounting estimates and judgements and notes on financial statements.	1-55		

As per our attached report of even date

**For S H B A & CO LLP**  
(Formerly known as Bathiya & Associates LLP)  
Chartered Accountants  
FRN - 101046W/W100063

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767

Mumbai, 30th May 2025

On behalf of the Board of Directors

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

**Rashmi S. Gavli**  
Chief Financial Officer

Mumbai, 30th May 2025

**Jayesh Shah**  
Director  
DIN: 00138346

**Suchita Singh**  
Company Secretary

## Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2025

	Notes	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
Revenue From Operations	24	20,129.99	17,824.43
Other Income	25	761.68	1,405.74
<b>Total Revenue</b>		<b>20,891.67</b>	<b>19,230.17</b>
<b>Expenses :</b>			
Cost of Materials Consumed	26	11,619.20	11,247.17
Changes in Inventories of Finished goods, Work-in-progress	27	(10.85)	(595.52)
Employee Benefits Expense	28	3,079.55	2,924.28
Finance Costs	29	63.79	76.03
Depreciation and Amortisation expense	30	264.86	293.54
Other Expenses	31	4,083.75	3,615.19
<b>Total Expenses</b>		<b>19,100.31</b>	<b>17,560.70</b>
<b>Profit before exceptional items and tax</b>		<b>1,791.36</b>	<b>1,669.47</b>
Exceptional Items	32 & 53	154.74	-
<b>Profit before Tax</b>		<b>1,946.10</b>	<b>1,669.47</b>
<b>Tax Expense</b>			
Current Tax		328.09	595.59
Deferred Tax		(138.23)	(43.76)
<b>Total Tax Expense</b>		<b>189.86</b>	<b>551.83</b>
<b>Profit for the Year</b>		<b>1,756.24</b>	<b>1,117.63</b>
<b>Other Comprehensive Income</b>			
1 i) Items that will not be reclassified to profit or loss		8.99	(18.57)
ii) Income Tax relating to items that will not be reclassified to profit or loss		(2.23)	4.00
2 i) Items that will be reclassified to profit or loss		-	-
ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income</b>		<b>6.75</b>	<b>(14.57)</b>
<b>Total Comprehensive Income</b>		<b>1,762.99</b>	<b>1,103.07</b>
<b>Profit attributable to:</b>			
Owners of the Company		1,756.24	1,117.63
Non Controlling Interests		-	-
Other Comprehensive Income attributable to-			
Owners of the Company		6.75	(14.57)
Non Controlling Interests		-	-
Total Comprehensive Income attributable to-			
Owners of the Company		1,762.99	1,103.07
Non Controlling Interests		-	-
Earning Per Equity Share of Face Value of ₹5 each	38		
Basic (in ₹)		13.06	8.31
Diluted (in ₹)		13.06	8.31
Material Accounting Policies, key accounting estimates and judgements and notes on financial statements.	1-55		

As per our attached report of even date

**For S H B A & CO LLP**  
(Formerly known as Bathiya & Associates LLP)  
Chartered Accountants  
FRN - 101046W/W100063

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767

Mumbai, 30th May 2025

**On behalf of the Board of Directors**

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

**Jayesh Shah**  
Director  
DIN: 00138346

**Rashmi S. Gavli**  
Chief Financial Officer

**Suchita Singh**  
Company Secretary

Mumbai, 30th May 2025

## Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2025

### (a) Equity share capital

	No. of Shares	(₹In lakhs)
<b>Balance as at 31 March 2023</b>	1,34,48,288	672.41
Changes in Equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	-
<b>Balance as at 31 March 2024</b>	<b>1,34,48,288</b>	<b>672.41</b>
Changes in Equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	-
<b>Balance as at 31 March 2025</b>	<b>1,34,48,288</b>	<b>672.41</b>

### (b) Other Equity

Particulars	Reserves and Surplus				Items of other Comprehensive Income	Total other equity
	Capital Reserve	General Reserve	Share Premium	Retained earnings	Remeasurements of the net defined benefit Plans	
<b>Balance as at 31st March 2023</b>	-	630.00	613.05	21,674.93	34.96	22,952.94
Profit for the year	-	-	-	1,117.63	(14.57)	1,103.07
Other comprehensive income for the year	-	-	-	-	-	-
Add : Pursuant to the corporate scheme of arrangement refer note no. 50 & 51	233.55	858.11	843.87	1,084.57	-	3,020.10
Less: Pursuant to the corporate scheme of arrangement refer note no. 50 & 51	-	-	-	(13,020.83)	-	(13,020.83)
<b>Total comprehensive income for the year</b>	<b>233.55</b>	<b>1,488.11</b>	<b>1,456.91</b>	<b>10,856.31</b>	<b>20.39</b>	<b>14,055.27</b>
Transfer to General Reserve	-	-	-	-	-	-
Dividend Paid	-	-	-	(403.45)	-	(403.45)
Deduction during the year	-	-	-	-	-	-
<b>Balance as at 31st March 2024</b>	<b>233.55</b>	<b>1,488.11</b>	<b>1,456.91</b>	<b>10,452.86</b>	<b>20.39</b>	<b>13,651.82</b>
Profit for the year	-	-	-	1,756.24	6.75	1,762.99
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>233.55</b>	<b>1,488.11</b>	<b>1,456.91</b>	<b>12,209.10</b>	<b>27.15</b>	<b>15,414.82</b>
Dividend Paid	-	-	-	(470.69)	-	(470.69)
Deduction during the year	-	-	-	-	-	-
<b>Balance as at 31st March 2025</b>	<b>233.55</b>	<b>1,488.11</b>	<b>1,456.91</b>	<b>11,738.41</b>	<b>27.15</b>	<b>14,944.13</b>

As per our attached report of even date

**For S H B A & CO LLP**  
(Formerly known as Bathiya & Associates LLP)  
Chartered Accountants  
FRN - 101046W/W100063

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767

Mumbai, 30th May 2025

On behalf of the Board of Directors

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

**Rashmi S. Gavli**  
Chief Financial Officer

Mumbai, 30th May 2025

**Jayesh Shah**  
Director  
DIN: 00138346

**Suchita Singh**  
Company Secretary



## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2025

		(₹ in lakhs except otherwise stated)	
Particulars	2024-2025 Audited	2023-24 Audited Restated	
<b>A Cash Flow from Operating Activities</b>			
Profit before tax	1,946.10	1,669.47	
Adjustments for :			
Depreciation and amortisation	264.86	293.54	
Loss on Sale of Property, plant & equipments	4.16	22.68	
Finance Cost	63.79	76.03	
	332.81	-	392.25
Less :			
Foreign Exchange Fluctuation Gain	3.68	(2.39)	
Net Gain on sale of Investments	77.43	(69.74)	
Fair valuation of Investments (Net)	504.50	(623.11)	
ECL provision on debtors	20.13	37.66	
Interest from fixed depsoits and loans at effective interest rate	79.78	(62.70)	
Gain from Insurance	195.91	-	
Dividend Received	8.59	(7.04)	
	(890.03)	(727.32)	
<b>Operating Profit before working capital changes</b>	<b>1,388.88</b>	<b>1,334.40</b>	
Adjustments for :			
Trade and Other Receivables	680.34	9,593.74	
Inventories	(58.59)	1,857.23	
Trade and Other Payables	161.26	(3,009.42)	
	783.01	8,441.55	
Cash generated from operations	2,171.89	9,775.95	
Income taxes paid (Net of Refund)	(224.00)	(343.23)	
<b>Net Cash from Operating Activities (A)</b>	<b>1,947.89</b>	<b>9,432.72</b>	
<b>B Cash Flow from Investing Activities</b>			
Payment to acquire Property, plant & equipments	(437.11)	(1109.05)	
Proceeeds from Sale of Property, plant & equipments	39.94	628.98	
Purchase of Investments	(1153.78)	(960.25)	
Sale of Investments	497.53	897.10	
Dividend Income	8.59	7.04	
Interest from fixed depsoits and loans at effective interest rate	79.78	62.70	
Megeer and Demerger effect of Subsidiaries	-	(8460.47)	
Gain from insurance	195.91	-	
<b>Net Cash used in Investing Activities (B)</b>	<b>(769.13)</b>	<b>(8,933.94)</b>	
<b>C Cash Flow from Financing Activites</b>			
Proceeds/(Repayment) of Short Term Borrowings	(403.67)	15.77	
Dividend paid	(470.69)	(403.45)	
Proceeds/(Repayment) of Long Term Borrowings	-	-	
Finance Cost	(63.79)	(76.03)	
<b>Net Cash from Financing Activities (C)</b>	<b>(938.16)</b>	<b>(463.71)</b>	
<b>Net (Decrease)/Increase in Cash &amp; Cash Activities (A+B+C)</b>	<b>240.61</b>	<b>35.08</b>	
Cash and Cash Equivalentts at the beginning of the year	360.11	922.63	
Cash and Cash Equivalentts at the beginning of the year of demerged entities	-	(597.60)	
<b>Cash and Cash Equivalentts as on Closing</b>	<b>600.72</b>	<b>360.11</b>	

## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2025

### Components of Cash & Cash Equivalents:

Particulars	For the Year ended 31 March 2025	For the Year ended 31 March 2024 (Restated)
<b>1) Cash &amp; Cash Equivalents:</b>		
Cash on hand	1.09	2.35
Balances with banks:		
- in current accounts and short term FD's	599.63	357.76
<b>Total</b>	<b>600.72</b>	<b>360.11</b>

Negative figures in the cash flow statement indicate a cash outflow.

- 2 The above cashflow statement has been prepared under the indirect method as set out in the IND-AS 7 on the statement of cashflow as notified under Companies Act 2013

### Amendment to Ind AS 7-

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

Particulars	Note No.	1st April 2024	Cash flow	Foreign Exchange Movement	31st March 2025
<b>Non-current liabilities</b>					
- Borrowings		-	-	-	-
<b>Current Liabilities</b>					
- Borrowings	19	668.30	(403.67)	-	264.63
- Other financial liabilities		-	-	-	-
Unpaid dividends	21	16.51	2.63		19.14
<b>Total</b>		<b>684.82</b>	<b>(401.04)</b>	<b>-</b>	<b>283.77</b>

Particulars	Note No.	1st April 2023	Cash flow	Foreign Exchange Movement	31st March 2024
<b>Non-current liabilities</b>					
- Borrowings		-	-	-	-
<b>Current Liabilities</b>					
- Borrowings	19	652.53	15.77	-	668.30
- Other financial liabilities		-	-	-	-
Unpaid dividends	21	16.64	(0.13)		16.51
<b>Total</b>		<b>669.17</b>	<b>15.65</b>	<b>-</b>	<b>684.82</b>

Material Accounting Policies, key accounting estimates and judgements and notes on financial statements. 1-55

As per our attached report of even date

**On behalf of the Board of Directors**

**For S H B A & CO LLP**  
(Formerly known as Bathiya & Associates LLP)  
Chartered Accountants  
FRN - 101046W/W100063

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

**Jayesh Shah**  
Director  
DIN: 00138346

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767

**Rashmi S. Gavli**  
Chief Financial Officer

**Suchita Singh**  
Company Secretary

Mumbai, 30th May 2025

Mumbai, 30th May 2025

## Notes to the Consolidated Financial Statements For the year ended March 31, 2025

### COMPANY INFORMATION

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

These consolidated financial statements comprise financial statement of the Company and its subsidiary, (collectively called the 'Group').

The Group is engaged in the manufacture of Specialty Chemicals, Vitamins & Minerals, Probiotic and Prebiotic Enzymes, as well as Feed Additives and Nutrition products related to Animal Health.

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

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

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

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

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

### Basis of consolidation

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

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

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

Sr.No	Name of Group Companies.	Country of Incorporation	Proportion of ownership interest either directly or through subsidiary
	<b>Direct Subsidiary</b>		
	Chembond Biosciences Limited (CBL)	India	100%

### 1.3 Summary of Material accounting policies

#### a) Business Combination:

Business Combinations are accounted under common control business combination which are accounted using the pooling of interest method in accordance with principles of Indian Accounting Standards, including IND AS 103 (Business Combinations) at carrying values.

**b) Property, Plant and Equipment**

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

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

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

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

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

**c) Intangible Assets**

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

**d) Capital Work in Progress & Capital Advances**

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

**e) Depreciation and Amortisation**

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

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

Depreciation on Fixed Assets in case of Subsidiary Company Chembond Biosciences Limited (CBL) is provided on the straight line method at the rates and in the manner specified in part C of Schedule II of the Companies Act, 2013.

**f) Revenue Recognition**

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

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

- i. Revenue from sales is recognised when goods are supplied and control over the Goods sold is transferred to the buyer which

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

- ii. Revenue from services is recognised pro-rata as and when services are rendered over a specified period of time. The Group collects goods and service tax on behalf of the government and therefore it is not an economic benefit flowing to the Group. Hence it is excluded from the revenue. .
- iii. Interest income is recognised using effective interest method on time proportion basis taking in to account the amount outstanding.
- iv. Dividend income from investment is recognised when the Company's right to receive is established by the reporting date, which is generally when shareholders approve the dividend.

**g) Leases:**

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

**Company as a Lessee**

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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Leases payments are apportioned

between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in the periods in which they are incurred.

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

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

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

**Company as a lessor**

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

Amounts due from lessees under finance leases are recorded as receivables at the Group net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group net investment outstanding in respect of the leases

#### **h) Inventories:**

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

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

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

#### **i) Impairment of Assets**

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

#### **j) Financial Instruments**

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

##### **a. Financial assets**

###### **Classification**

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

###### **Initial recognition and measurement**

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

###### **Debt instruments**

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is



calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss.

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

#### **Equity instruments**

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

#### **De-recognition**

A financial asset derecognized only when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the

associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

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

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

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

### **b. Financial liabilities**

#### **Initial recognition and measurement**

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

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

#### **Financial liabilities at fair value through profit and loss**

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are

incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

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

### **Derecognition**

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

## **C. Hedge accounting**

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

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

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

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

## **k) Fair Value Measurement**

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

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

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

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

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

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

- All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

#### **l) Foreign Currency Transactions and Translation:**

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

#### **m) Trade Receivables**

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

#### **n) Trade Payables**

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

#### **o) Income Taxes**

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

##### **Current tax:**

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

The company recognizes the current tax expense in its profit and loss statement based on the higher of the two calculations below.

If the tax paid as per MAT exceeds the tax liability under normal provisions, the excess (MAT credit) is recognized as an asset (MAT Credit Entitlement) if there is probability that the company will be able to realize this credit in future years when normal tax exceeds MAT.

The MAT credit can be carried forward for up to 15 assessment years and set off against future tax liabilities arising under normal provisions

**Deferred tax:**

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

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

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

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

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

**p) Cash and Cash Equivalents**

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

**q) Employee Benefits**

- **Short term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**Post Employment Benefits**
**I. Defined Contribution Plan**

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

**Recognition and measurement of defined contribution plans:**

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

**II. Defined Benefit plans:**
**Provident Fund scheme**

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

**Gratuity scheme**

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

**Pension Scheme:**

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

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

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

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

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

- **Other Long Term Employee Benefits:**

The Group does not allow encashment of leave Balance.

**r) Research and Development**

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

**s) Borrowing Cost**

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

**t) Earnings per share**

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

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

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

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

An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading



- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all their liabilities as non-current.

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

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

#### **v) Provisions, Contingent Liabilities and Contingent Assets**

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

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

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

Contingent liability is disclosed in case of

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

Contingent Assets are neither recognised, nor disclosed.

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

#### **w) Dividend**

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

#### **x) Segment Reporting**

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

### **1.3 Key accounting estimates and judgements**

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

The areas involving critical estimates or judgements are:

- a. Property Plant & Equipment - Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after



determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

- b. Provisions - Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.
- d. Taxes - Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be

utilized. The amount of the deferred income tax assets considered realizable, however, could change if estimates of future taxable income changes in the future.

- f. Defined Benefit Obligations - The cost of defined benefit gratuity plans, and post-retirement medical benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

#### 1.4 Recent Accounting Pronouncements

The Ministry of Corporate Affairs has vide notification dated 14 August 2024 and 9 September 2024 notified Companies (Indian Accounting Standards) Amendment Rules, 2024 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2024. The Rules predominantly brings new Ind AS 117 'Insurance Contracts' replacing the existing Ind AS 104 "Insurance Contracts and amends Ind AS 116, 'Leases'. As per the Management's assessment, these amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

**2. Property, plant and equipment, Intangibles and Capital work in progress as at 31st march 2025**

(₹ In lakhs)

Description	GROSS BLOCK (AT COST)			DEPRECIATION INCLUDING AMORTISATION				NET BLOCK		
	As at 1.04.2024	Additions for the Year	Disposal, Transfer & Adjustments	As at 31.03.2025	As at 1.04.2024	Additions for the Year	Disposal, Transfer & Adjustments	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
<b>Property, plant and equipment</b>										
<b>Tangible Asset</b>										
Leasehold Land	65.33	-	-	65.33	6.17	0.97	-	7.14	58.18	59.16
Freehold Land	68.77	-	-	68.77	-	-	-	-	68.77	68.77
Buildings	1,462.62	281.83	-	1,744.45	283.58	45.29	-	328.87	1,415.58	1,179.04
Equipment & Machinery	1,794.13	460.40	27.77	2,226.76	846.69	143.09	13.52	976.26	1,250.50	947.44
Computers Hardware	135.17	13.52	5.86	142.83	115.33	10.50	4.80	121.03	21.80	19.85
Furniture & Fixtures	160.25	10.00	0.08	170.17	98.32	10.42	0.07	108.67	61.50	61.93
Motor Cars	60.35	-	-	60.35	57.34	-	-	57.34	3.02	3.02
Electrical Installations & Equipment	342.25	276.77	-	619.02	124.94	47.94	-	172.89	446.13	217.31
<b>Sub- total</b>	<b>4,088.88</b>	<b>1,042.52</b>	<b>33.71</b>	<b>5,097.69</b>	<b>1,532.38</b>	<b>258.22</b>	<b>18.39</b>	<b>1,772.20</b>	<b>3,325.48</b>	<b>2,556.50</b>
<b>Intangible Assets</b>										
Technical Know How	3.47	-	-	3.47	2.68	0.18	-	2.86	0.61	0.79
Computer Software	69.34	-	13.91	55.43	33.42	6.46	12.65	27.22	28.21	35.92
<b>Sub- total</b>	<b>72.81</b>	<b>-</b>	<b>13.91</b>	<b>58.90</b>	<b>36.10</b>	<b>6.64</b>	<b>12.65</b>	<b>30.08</b>	<b>28.82</b>	<b>36.71</b>
<b>Total</b>	<b>4,161.69</b>	<b>1,042.52</b>	<b>47.62</b>	<b>5,156.59</b>	<b>1,568.47</b>	<b>264.86</b>	<b>31.04</b>	<b>1,802.29</b>	<b>3,354.30</b>	<b>2,593.21</b>
<b>Capitla Work in Progress</b>	<b>1,334.38</b>	<b>259.76</b>	<b>843.58</b>	<b>750.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>750.56</b>	<b>1,334.38</b>

- i) Pursuant to the composite scheme of arrangement, the Company is in the process of transferring the title deeds and lease agreements of the Property, Plant & Equipment in the name of CMTL
- (ii) The Company has adopted the Straight Line Method (SLM) method of depreciation w.e.f 1st April 2024 for the Property, Plant and Equipment (PPE) pertaining to the merged undertaking received from GCIPL and PSPL.

**Property, plant and equipment, Intangibles and Capital work in progress as at 31st March 2024**

(₹ In lakhs)

Description	GROSS BLOCK (AT COST)			DEPRECIATION INCLUDING AMORTISATION				NET BLOCK		
	As at 1.04.2023	Additions for the Year	Disposal, Transfer & Adjustments	As at 31.03.2024	As at 01.04.2023	Additions for the Year	Disposal, Transfer & Adjustments	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
<b>Property, plant and equipment</b>										
<b>Tangible Asset</b>										
Leasehold Land	65.39	-	0.07	65.33	5.20	0.97	0.00	6.17	59.16	55.42
Freehold Land	68.77	-	-	68.77	-	-	-	-	68.77	84.63
Buildings	1,299.43	332.89	169.70	1,462.62	284.79	41.00	42.21	283.58	1,179.04	1,828.99
Plant & Machinery	1,704.94	235.04	145.85	1,794.13	716.54	186.53	56.38	846.69	947.44	664.07
Computers Hardware	125.93	9.32	0.08	135.17	98.75	16.60	0.02	115.33	19.85	15.12
Furniture & Fixtures	142.22	18.03	-	160.25	85.19	13.14	-	98.32	61.93	63.69
Motor Cars	60.35	-	-	60.35	54.80	2.53	-	57.34	3.02	19.87
Electrical Installations & Equipment	195.48	146.77	-	342.25	97.98	26.96	-	124.94	217.31	94.52
<b>Sub- total</b>	<b>3,662.52</b>	<b>742.05</b>	<b>315.70</b>	<b>4,088.88</b>	<b>1,343.25</b>	<b>287.74</b>	<b>98.61</b>	<b>1,532.38</b>	<b>2,556.50</b>	<b>2,826.31</b>
<b>Intangible Assets</b>										
Technical Know How	3.47	-	-	3.47	2.51	0.18	-	2.68	0.79	-
Computer Software	51.49	17.84	-	69.34	29.17	4.24	-	33.42	35.92	22.32
<b>Sub- total</b>	<b>54.96</b>	<b>17.84</b>	<b>-</b>	<b>72.81</b>	<b>31.68</b>	<b>4.42</b>	<b>-</b>	<b>36.10</b>	<b>36.71</b>	<b>22.32</b>
<b>Total</b>	<b>3,717.49</b>	<b>759.90</b>	<b>315.70</b>	<b>4,161.69</b>	<b>1,374.93</b>	<b>292.16</b>	<b>98.61</b>	<b>1,568.47</b>	<b>2,593.21</b>	<b>2,848.63</b>
<b>Capitla Work in Progress</b>	<b>1,178.21</b>	<b>679.52</b>	<b>523.35</b>	<b>1,334.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,334.38</b>	<b>703.04</b>

**3 Financial Assets (Non-Current)**
**Investments**
**Investments in Equity shares carried at fair value through Profit and Loss (Unquoted)**

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

3.75

3.79

**Investment in Secured Bonds carried at amortised cost**

500 (PY-500) Secured Non-Convertible Redeemable REC Capital Gains Tax Exemption Bonds.

50.00

50.00

**Investments in Equity Shares carried at fair value through Profit and Loss**
**(Quoted)**

22,505 (PY-15,000) Equity Shares of Hindustan Petroleum Corporation Ltd. of ₹10/- each fully paid up.

81.81

71.35

9,114 (PY-9,114) Equity Shares of HDFC Limited of ₹2/- each fully paid up

166.62

131.96

3,700 (PY-3,700) Equity Shares Tata Consultancy Services Limited of ₹1/- each fully paid up

133.43

143.42

**Investments in Mutual fund carried at fair value through Profit and Loss**
**(Quoted)**

7,99,741.40 (PY-1,00,991.79) Units of SBI Magnum Gilt Fund-Long Term Reg (G)

522.46

60.37

38,58,187.14 (PY-38,58,187.14) Units of ICICI Prudential Gilt Fund (G)

3,889.15

3,499.19

Nil (PY-21,859.47 ) Units of ICICI Prudential Saving fund

-

79.22

Nil (PY- 3,919.59) -Units of HDFC Flexi Cap Fund

-

62.94

Nil (PY-11,405.77) -Units of SBI Large & Midcap Fund

-

58.60

89,600.40 (PY- 89,600.40) - Units of Kotak Gilt Investment

85.74

78.99

**Total**

**4,932.96**

**4,239.83**

Aggregate amount of Quoted Investments and market value there of

4,879.21

4,186.04

Aggregate amount of Unquoted Investments

53.75

53.79

Aggregate amount of Impairment in value of investment

-

-

4 Other Non- Current Financial Assets		As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
<b>(Unsecured &amp; considered good)</b>			
Bank Deposits with more than 12 months maturity		220.07	7.41
Other Deposits		16.62	31.62
<b>Total</b>		<b>236.70</b>	<b>39.03</b>
5 Deferred Tax Assets (Net)			
<b>Deferred tax Asset</b>			
Gratuity		7.85	23.33
MAT Credit		966.26	654.16
Other deductible temporary differences		40.95	9.77
Provision for Expected credit loss		96.29	104.11
<b>A</b>		<b>1,111.35</b>	<b>791.37</b>
<b>Deferred tax Liability</b>			
Written down value of Property Plant & Equipment		(279.08)	(449.39)
Investments at Fair Value		(529.55)	(176.25)
<b>B</b>		<b>(808.63)</b>	<b>(625.64)</b>
Net Deferred Tax Asset			
<b>Total (A-B)</b>		<b>302.73</b>	<b>165.73</b>
6 Income tax asset (net)			
Advance Income Tax (Net of Provision)		464.18	529.30
<b>Total</b>		<b>464.18</b>	<b>529.30</b>
7 Other non-current assets			
Other Advances		2.35	-
Prepaid expenses		0.02	0.83
Gratuity		1.32	1.40
<b>Total</b>		<b>3.69</b>	<b>2.23</b>
8 Inventories			
(At lower of Cost or Net Realisable Value)			
Raw Materials		743.21	682.52
Packing Materials		97.84	91.10
Finished Goods*		580.38	592.65
Stock-in-Trade		-	0.07
Work in Progress		200.29	196.80
		1,621.73	1,563.14
Less: Stock Reserve		-	-
<b>Total</b>		<b>1,621.73</b>	<b>1,563.14</b>
<b>Finished Goods Include stock in transit amounting to ₹120.44 Lakhs as at 31.03.2025 (Nil as at 31.03.2024)</b>			

**9 Investments (Current)**

	As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
<b>Investments in Mutual Funds carried at fair value through Profit and Loss</b>		
11,63,837.16 (PY-10,53,730.58 ) Units of Axis Blue Chip Fund	666.06	576.50
3,93,983.03 (PY-3,50,183.50 ) Units of Mirae Asset India Equity Fund	413.28	335.21
21,859.47 (PY- 21,859.47) Units of ICICI Prudential Saving Fund	116.40	107.82
8,77,805.57 (PY-8,77,805.57) Units of Kotak Gilt Investment Fund	840.00	773.81
49,838.61 (PY-49,838.61) Units of ICICI Prudential Equity & Debt Fund	183.75	166.89
Nil (PY-180,992.74) HDFC Ultra Short Term Debt Fund	-	183.31
20,843.16 (PY-Nil) Units of HDFC Balanced Advantage Fund	102.20	-
13,25,450 (PY- 6,77,992.742) HDFC Short Term Debt Fund	152.27	52.20
8,530.68 (PY-Nil) Units of Kotak Money Market Fund	375.86	-
Nil (PY-21,739.86) Units of Kotak Flexi Cap Fund	-	15.53
Nil (PY-18,393.22) Units of SBI Blue Chip Fund-Regular Growth	-	14.71
<b>Total</b>	<b>2,849.82</b>	<b>2,225.98</b>
Aggregate amount of Quoted Investments and Market Value thereof	2,849.82	2,225.98

**10 Trade Receivables**

<b>(a)Trade receivables considered good - Secured</b>	-	-
<b>(b)Trade receivables considered good - UnSecured</b>		
(i) Considered Good	3,991.71	4,869.66
(ii) Credit Impaired	342.13	350.41
<b>Total</b>	<b>4,333.84</b>	<b>5,220.07</b>
<b>(c)Trade Receivables which have significant increase in Credit Risk</b>		
Less - Impairment Loss allowance (Refer note 10 III)	(342.13)	(350.41)
<b>Total</b>	<b>3,991.71</b>	<b>4,869.66</b>
i For Related party transactions Refer Note No.38		
ii Trade Receivables Ageing Schedule Refer Note No 44		
<b>iii Movement in Credit Impaired</b>		
<b>Provision at the beginning of the year</b>	350.41	312.75
Add: Provision during the year		37.66
Less: Reversal during the year	(8.28)	
<b>Provision at the year end</b>	<b>342.13</b>	<b>350.41</b>

		As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
<b>11</b>	<b>Cash and Cash equivalents</b>		
	<b>Balances with banks</b>		
	In Current Accounts	559.54	357.76
	Cash on hand	1.09	2.35
	Balance Deposits with less than 3 months Maturity	40.09	-
	<b>Total</b>	<b>600.72</b>	<b>360.11</b>
<b>12</b>	<b>Bank balances other than cash and cash equivalents</b>		
	Margin money (Including bank deposits with more than 3 months maturity)	740.38	938.39
	In Unpaid Dividend Accounts	19.14	16.51
	<b>Total</b>	<b>759.52</b>	<b>954.91</b>
<b>13</b>	<b>Loans</b>		
	(Unsecured & considered good)		
	Loan and advance to Employees	0.25	-
	<b>Total</b>	<b>0.25</b>	<b>-</b>
<b>14</b>	<b>Other Current Financial Assets</b>		
	(Unsecured & considered good)		
	Security Deposits	54.84	40.21
	<b>Total</b>	<b>54.84</b>	<b>40.21</b>
<b>15</b>	<b>Other Current Assets</b>		
	Prepaid expenses	33.07	36.73
	Advances for supply of goods and services	192.92	155.01
	Balances with government authorities	6.01	6.03
	Gratuity fund	3.46	-
	Advance to employees	14.80	8.56
	<b>Total</b>	<b>250.27</b>	<b>206.33</b>
<b>16</b>	<b>Share Capital</b>		
	<b>Authorised</b>		
	2,72,00,000 (PY-2,72,00,000) Equity Shares of ₹5/- each	1,360.00	1,360.00
	Pursuant to Composite Scheme of Arrangement, authorised share capital is increased by ₹360 lakhs which pertains to CMTPL, PSPL & GCIPL.		
	<b>Issued, Subscribed and Paid up</b>		
	134,48,288 (PY 134,48,288) Equity Shares of ₹5/- each fully paid up	672.41	672.41
	<b>Total</b>	<b>672.41</b>	<b>672.41</b>



	As at 31/03/2025	As at 31/03/2024
<b>16a Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:</b>	<b>No. Of Shares</b>	<b>No. Of Shares</b>
Number of shares outstanding at the beginning of the year	1,34,48,288	1,34,48,288
Additions during the year	-	-
Deductions during the year	-	-
Number of shares outstanding at the end of the year	-	-
<b>Total</b>	<b>1,34,48,288</b>	<b>1,34,48,288</b>

**16b Details of Shareholders holding more than 5% Shares**

Name of the Shareholder	% Held	As at 31/03/2025	% Held	As at 31/3/2024
		No. of Shares		No. of Shares
Nirmal Vinod Shah	13.35%	17,95,190	13.35%	17,95,090
Sameer Vinod Shah	12.64%	17,00,144	12.54%	16,86,844
Padma Vinod Shah	12.57%	16,91,100	12.57%	16,91,100
Visan Holdings Pvt. Ltd.	9.75%	13,10,630	9.75%	13,10,630

**16c Disclosure of shareholding of Promoters**

Disclosure of shareholding of promoters as at March 31, 2025 is as follows:

Shares held by promoter at the end of the year		No. of shares	% of Total shares	% Change during the year
Sr. No.	Promoter Name			
1	Nirmal Vinod Shah	17,95,190	13.35%	0.001%
2	Sameer Vinod Shah	17,00,144	12.64%	0.100%
3	Padma Vinod Shah	16,91,100	12.57%	0.000%
4	Ashwin Ratilal Nagarwadia	5,00,000	3.72%	0.000%
5	Bhadresh Shah	1,88,934	1.40%	0.000%
<b>Total</b>		<b>58,75,368</b>	<b>43.68%</b>	

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

Shares held by promoter at the end of the year		No. of shares	% of Total shares	% Change during the year
Sr. No.	Promoter Name			
1	Nirmal Vinod Shah	17,95,090	13.35%	0.001%
2	Sameer Vinod Shah	16,86,844	12.54%	0.001%
3	Ashwin Ratilal Nagarwadia	5,00,000	3.72%	0.000%
4	Bhadresh Shah	1,88,934	1.40%	0.000%
<b>Total</b>		<b>41,70,868</b>	<b>31.01%</b>	

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

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

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

**17 Other Equity**

	As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
<b>Capital Reserve</b>		
As per last year	233.55	-
Add : Pursuant to the Composite Scheme of Arrangement refer note 50 & 51	-	233.55
<b>Total</b>	<b>233.55</b>	<b>233.55</b>
<b>General Reserve</b>		
As per last year	1,488.11	630.00
Add : Pursuant to the Composite Scheme of Arrangement refer note 50 & 51	-	858.11
<b>Total</b>	<b>1,488.11</b>	<b>1,488.11</b>
<b>Securities Premium</b>		
As per last year	1,456.91	613.05
Add : Pursuant to the Composite Scheme of Arrangement refer note 50 & 51	-	843.87
<b>Total</b>	<b>1,456.91</b>	<b>1,456.91</b>
<b>Retained Earnings</b>		
As per last year	10,452.86	21,674.93
Add : Pursuant to the Composite Scheme of Arrangement refer note 50 & 51		1,084.57
Less: Pursuant to the Composite Scheme of Arrangement refer note 50 & 51	-	(13,020.83)
Add: Profit for the Year	1,756.24	1,117.63
<b>Total</b>	<b>12,209.10</b>	<b>10,856.31</b>
Less: Appropriations		
Dividend Paid	(470.69)	(403.45)
<b>Total</b>	<b>11,738.41</b>	<b>10,452.86</b>
<b>Other Comprehensive Income (OCI)</b>		
Remeasurements of the net defined benefit Plans		
As per last year	20.39	34.96
Addition/ (Deduction) during the year	6.75	(14.57)
	<b>27.15</b>	<b>20.39</b>
<b>Total</b>	<b>14,944.13</b>	<b>13,651.82</b>

**Nature & Purpose:**
**Capital Reserve:**

The capital reserve represents the excess of net assets acquired over the consideration paid during business combinations such as amalgamations, mergers, or acquisitions. This reserve arises primarily from the cancellation of shares of the amalgamated or merged entities and is maintained to facilitate future corporate restructuring activities, including mergers, demergers, or other forms of business combinations.

**General Reserve:**

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

**Securities Premium :**

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

**Retained Earnings:**

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

<b>18 Provisions- Non Current</b>		<b>As at 31/03/2025</b> (₹ In lakhs)	<b>As at 31/03/2024</b> (₹ In lakhs)
<b>Provision for employee benefits :</b>			
Provision for Gratuity		7.34	12.47
<b>Total</b>		<b>7.34</b>	<b>12.47</b>
<b>19 Current Borrowings</b>			
<b>(Repayable on demand)</b>			
Secured			
Working Capital Loan from Banks		264.63	668.30
<b>Total</b>		<b>264.63</b>	<b>668.30</b>
a	Working Capital loan is secured by charge on Inventories, Trade Receivables & Bank Deposits.		
<b>20 Trade Payables</b>			
Total Outstanding Dues of Micro and Small Enterprises		365.09	329.18
Total Outstanding Dues of Creditors other than Micro and Small Enterprises		2,910.42	2,861.20
<b>Total</b>		<b>3,275.51</b>	<b>3,190.38</b>

- a For Related party transaction Refer Note No 38
- b For Trade Payable Ageing Schedule Refer Note No 45
- c The Group has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at the year end. The disclosure pursuant to the said Act is as under:

	<b>As at 31/03/2025</b> (₹ In lakhs)	<b>As at 31/03/2024</b> (₹ In lakhs)
Principal amount due to suppliers under MSMED Act, 2006	365.09	329.17
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	-	1.80
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
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	-	1.80
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	1.80
<b>21 Other Current Financial Liabilities</b>		
Unclaimed Dividend *	19.14	16.51
<b>Total</b>	<b>19.14</b>	<b>16.51</b>
* Not due for Deposit to Investor Education and Protection Fund		
<b>22 Other Current Liabilities</b>		
Statutory Dues	59.33	57.18
Employee benefits	720.43	790.22
Advance received from customer	188.32	54.15
<b>Total</b>	<b>968.08</b>	<b>901.55</b>
<b>23 Short-term Provisions</b>		
<b>Provision for employee benefits:</b>		
Provision for Gratuity	22.72	10.62
<b>Total</b>	<b>22.72</b>	<b>10.62</b>

<b>24 Revenue from Operations</b>		<b>2024-2025</b> (₹ In lakhs)	<b>2023-2024</b> (₹ In lakhs)
Sale of Goods		19,885.82	17,754.13
Other Operating revenue		244.17	70.30
<b>Total</b>		<b>20,129.99</b>	<b>17,824.43</b>
<b>25 Other Income</b>			
Dividend from Equity Investments		2.23	2.25
Dividend from Mutual Funds		6.37	4.79
		<b>8.59</b>	<b>7.04</b>
Net gain on sale of investments		77.43	69.74
Interest at Effective Interest Rate		79.78	62.70
Rent (Gross)		4.95	30.21
Bad Debts Recovered		-	12.00
Profit on Sale of Property Plant & Equipment		-	577.87
Gain on fair valuation of investments		504.50	623.11
Credit Balances Written Back		19.76	-
Corporate Gurantee Fee		25.50	23.06
Other Gains		41.17	-
<b>Total</b>		<b>761.69</b>	<b>1,405.74</b>
<b>26 Cost of materials consumed</b>			
Raw Materials Consumed		10,578.79	10,462.47
Packing Materials Consumed		1,040.40	784.70
<b>Total</b>		<b>11,619.20</b>	<b>11,247.17</b>
<b>27 Changes in inventory of Finished goods, Work in progress</b>			
(a) Finished goods/ Stock in Trade/ Work In Progress (At Close)		<b>780.67</b>	<b>769.82</b>
Finished goods		580.38	592.65
Work In Progress		200.29	177.17
(b) Finished goods/ Stock in Trade/ Work In Progress (At commencement)		<b>769.82</b>	<b>174.30</b>
Finished goods		592.65	139.53
Work In Progress		177.17	34.77
<b>Total</b>		<b>(10.85)</b>	<b>(595.52)</b>
<b>28 Employee benefit expenses</b>			
Directors' Remuneration		161.25	168.95
Salaries & Wages		2,634.55	2,511.06
Contribution to Provident & other funds		171.92	152.79
Staff Welfare Expenses		111.84	91.49
<b>Total</b>		<b>3,079.55</b>	<b>2,924.28</b>

a For Related party transaction Refer Note 38

**29 Finance Cost**

(a) Interest Expense at Effective Interest rate

- Banks

- MSMED

(b) Other borrowing costs

Bank Guarantee fees &amp; charges

**Total**
**30 Depreciation and Amortisation expenses**

Depreciation and Amortisation Expenses

**Total**
**31 Other Expenses**
**Manufacturing Expenses**

Consumable stores

Power, Fuel &amp; Water Charges

Research and Development

Laboratory Expenses

Repairs and Renewals to Plant &amp; Machinery

Godown Rent

Labour Charges

Security Expenses

Factory Maintenance

**Total A**
**Administrative Expenses**

Directors' Sitting Fees

Rates &amp; Taxes

Electricity charges

Printing and stationary

Telephone &amp; Postage Expenses

Insurance

Motor car expenses

Auditors Remuneration (Refer note a)

Legal, Professional &amp; consultancy fees

Repairs &amp; Maintenance Buildings

Repairs &amp; Maintenance Others

Miscellaneous expenses

Donation

Corporate Social responsibility Expenditure

Loss on Sale of PPE

Provision/(Reversal) for Expected credit loss on trade receivables

Input GST Reversed

Foreign Exchange Fluctuation Loss

Bad Debts Written Off

**Total B**
**2024-2025**

(₹ In lakhs)

**2023-2024**

(₹ In lakhs)

58.21

68.08

-

1.80

5.58

6.15

**63.79**
**76.03**

264.86

293.54

**264.86**
**293.54**

70.12

49.38

151.46

149.91

74.51

75.49

20.92

10.90

68.71

65.38

40.49

78.04

501.44

439.69

75.21

73.82

60.77

71.91

**1,063.63**
**1,014.53**

14.85

10.78

20.84

54.21

29.45

22.43

9.96

9.24

25.12

26.53

51.13

37.97

98.66

91.86

17.36

25.80

521.10

434.20

3.39

4.86

115.83

79.20

87.16

104.55

0.47

0.73

18.60

13.26

4.16

22.68

(20.13)

37.66

1.21

2.47

13.74

22.93

41.75

9.76

**1,054.63**
**1,011.12**



**31 Other Expenses (Cont)**
**Selling and Distribution Expenses**

	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
Carriage outwards	838.79	704.51
Rent	0.24	0.24
Commission on sales	378.85	338.21
Travelling Expenses	269.39	214.04
Conveyance expenses	178.44	176.93
Royalty Expenses	29.99	27.19
Advertising & Publicity Expenses	8.20	7.14
Warehousing Charges	11.79	10.92
Packing Expenses	21.37	17.86
Sales Promotion Expenses	228.4	92.5

<b>Total C</b>	<b>1,965.49</b>	<b>1,589.55</b>
<b>Total (A+B+C)</b>	<b>4,083.75</b>	<b>3,615.19</b>

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

Statutory Audit Fees	17.35	25.80
<b>Total</b>	<b>17.35</b>	<b>25.80</b>

Audit fees for the current and previous financial year includes the audit fees of transferor companies amalgamated pursuant to scheme of arrangement and the effect of proportionate audit fees transferred to resulting company with respect to Construction Chemicals and Water Technologies chemicals business.

**b Corporate Social Responsibility**

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

- Gross amount required to be spent by the company during the year ₹18.60 lakhs. (Previous Year 13.26 Lakhs)

- Amount spent during the year is ₹18.60 lakhs (Previous Year 13.26 Lakhs).

Particular	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
<b>Details of corporate social responsibility expenditure</b>		
a) Amount required to be spent by the company during the year	18.60	13.26
b) Amount of expenditure incurred	-	-
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) and above	18.60	13.26
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall	-	-

f) Nature of CSR activities

Promotion of Child Education & towards women empowerment and education	Promotion of Child Education
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g) Details of related party transactions

Refer Note 38	Refer Note 38
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h) Where a provision is made with respect to a liability incurred by entering into a contractual the year shall be shown separately.

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### c Lease

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

	(₹ In Lakhs except otherwise stated)	
Group as a Lessee	Total Minimum Lease Payment Outstanding as on 31/03/2025	Total Minimum Lease Payment Outstanding as on 31/03/2024
Due within one year	5.64	8.01
Due later than one year and not later than five years	85.15	31.32
Due later than five years	-	-
Lease payments recognised in the Statement of Profit & Loss	20.35	39.16
Group as a Lessor	Total Minimum Lease Payment as on 31/03/2025 ₹In Lakhs	Total Minimum Lease Payment as on 31/03/2024 ₹In Lakhs
Lease receipts recognised in the Statement of Profit & Loss	4.95	30.21

### 32 Exceptional Items

	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
Final Settlement Insurance Claim (refer note. 53)	154.74	-
<b>Total</b>	<b>154.74</b>	<b>-</b>

### 33 EARNINGS PER SHARE

	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
Net Profit available to Equity Shareholders (₹In Lakhs)	1,756.24	1,117.63
Total number of Equity Shares (Face value of ₹5/- each fully paid up)	1,34,48,288	1,34,48,288
Weighted No. of Equity Shares	1,34,48,288	1,34,48,288
Basic Earnings per Share (in Rupees)	13.06	8.31
Diluted No. of Equity Shares	1,34,48,288	1,34,48,288
Diluted Earnings per Share (in Rupees)	13.06	8.31

### 34 EARNINGS IN FOREIGN EXCHANGE

Export of Goods on FOB Basis	330.45	199.96
<b>Total</b>	<b>330.45</b>	<b>199.96</b>

### 35 Segment Reporting

The Group is engaged in the manufacture of Specialty Chemicals, Vitamins & Minerals, Probiotic and Prebiotic Enzymes, as well as Feed Additives and Nutrition products related to Animal Health. Under IND AS 108 – Operating Segments, specified in Section 133 of the Companies Act, 2013, these are recognized as the Group’s reportable business segments. Considering the nature of the Company’s business and based on the review of operating results by the Chief Operating Decision Maker (Board of Directors) for resource allocation and performance evaluation, the Group has identified two reportable business segments in accordance with the requirements of IND AS 108 – “Operating Segments.

#### Reportable Segment Information as on 31st March 2025

Sr No	Particulars	Specialty Chemicals	Animal Health	Total
1	<b>Revenue</b>			
	External Sales	16,848.53	3,281.46	20,129.99
	<b>Total Revenue from Operations</b>	<b>16,848.53</b>	<b>3,281.46</b>	<b>20,129.99</b>
	<b>Results</b>			
	Segment Results before exceptional Item	1,013.48	79.99	1,093.47
	Add: Exceptional Item	154.74	-	154.74
	Segment Results after exceptional Item	1,168.22	79.99	1,248.21
	Unallocated Corporate Income	-	-	761.68
	Earnings before Interest	-	-	2,009.90
	Less: Finance expense	9.05	54.74	63.79
	<b>Profit before tax</b>	-	-	<b>1,946.10</b>
	<b>Taxes</b>	-	-	<b>189.86</b>
	Current Tax	-	-	328.09
	Deferred Tax	-	-	(138.23)
	<b>Profit after tax</b>			<b>1,756.24</b>
2	<b>Other Information</b>			
	Segment Assets	18,998.63	1,175.33	20,173.96
	Segment Liabilities	3,779.91	777.51	4,557.42
3	<b>Disclosure of Material Items</b>			
	Cost of Material Consumed	9,659.07	1,960.13	11,619.20
	Other Expense	3,446.04	639.01	4,085.04

#### Reportable Segment Information as on 31st March 2024

Sr No	Particulars	Specialty Chemicals	Animal Health	Total
1	<b>Revenue</b>			
	External Sales	14,959.56	2,864.87	17,824.43
	<b>Total Revenue from Operations</b>	<b>14,959.56</b>	<b>2,864.87</b>	<b>17,824.43</b>
	<b>Results</b>			
	Segment Results before exceptional Item	1,088.60	(224.11)	864.48
	Add: Exceptional Item	-	-	-
	Segment Results after exceptional Item	1,088.60	(224.11)	864.48
	Unallocated Corporate Income	-	-	881.02
	Earnings before Interest	-	-	1,745.50
	Less: Finance expense	24.72	51.31	76.03
	<b>Profit before tax</b>	-	-	<b>1,669.47</b>
	<b>Taxes</b>	-	-	<b>551.83</b>
	Current Tax	-	-	595.59
	Deferred Tax	-	-	(43.76)
	<b>Profit after tax</b>			<b>1,117.64</b>
2	<b>Other Information</b>			
	Segment Assets	17,744.84	1,379.22	19,124.06
	Segment Liabilities	3,744.92	1,054.91	4,799.83
3	<b>Disclosure of Material Items</b>			
	Cost of Material Consumed	9,333.75	1,913.42	11,247.17
	Other Expense	2,996.11	619.09	3,615.19

**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.

Particulars	As at 31 March 2025 (₹ in Lakhs)							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents (Including other bank balances)	-	-	600.72	600.72	-	-	-	-
Investments								
- Mutual Funds	7,347.18	-	-	7,347.18	7,347.18	-	-	7,347.18
- Equity Shares (Quoted)	381.86	-	-	381.86	381.86	-	-	381.86
- Equity Shares (Unquoted)	-	-	3.75	3.75	-	-	3.75	3.75
- Secured Non Convertible Redeemable Bonds	-	-	50.00	50.00	-	-	-	-
Trade and other receivables	-	-	3,991.71	3,991.71	-	-	-	-
Loans	-	-	0.25	0.25	-	-	-	-
Other financial assets	-	-	54.84	54.84	-	-	-	-
<b>TOTAL</b>	<b>7,729.03</b>	<b>-</b>	<b>4,701.26</b>	<b>12,430.29</b>	<b>7,729.03</b>	<b>-</b>	<b>3.75</b>	<b>7,732.78</b>
<b>Financial liabilities</b>								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	-	-	-	-	-	-
Short term borrowings	-	-	264.63	264.63	-	-	-	-
Trade and other payables	-	-	3,275.51	3,275.51	-	-	-	-
Other financial liabilities	-	-	19.14	19.14	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>3,559.28</b>	<b>3,559.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	As at 31 March 2024 (₹ in Lakhs)							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents (Including other bank balances)	-	-	360.11	360.11	-	-	-	-
Investments								
- Mutual Funds	6,065.29	-	-	6,065.29	6,065.29	-	-	6,065.29
- Equity Shares (Quoted)	346.73	-	-	346.73	346.73	-	-	346.73
- Equity Shares (Unquoted)	3.79	-	-	3.79	-	-	3.79	3.79
- Secured Non Convertible Redeemable Bonds	-	-	50.00	50.00	-	-	-	-
Trade and other receivables	-	-	3,991.71	3,991.71	-	-	-	-
Loans	-	-	0.25	0.25	-	-	-	-
Other financial assets	-	-	54.84	54.84	-	-	-	-
<b>TOTAL</b>	<b>6,415.81</b>	<b>-</b>	<b>4,506.90</b>	<b>10,922.72</b>	<b>6,412.02</b>	<b>-</b>	<b>3.79</b>	<b>6,415.81</b>
<b>Financial liabilities</b>								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	-	-	-	-	-	-
Short term borrowings	-	-	668.30	668.30	-	-	-	-
Trade and other payables	-	-	3,190.38	3,190.38	-	-	-	-
Other financial liabilities	-	-	16.51	16.51	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>3,875.19</b>	<b>3,875.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**B. Measurement of fair values**

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

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

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

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

**Transfers between Levels**

There are no transfers between the levels

**C. Financial risk management**

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

**i. Risk management framework**

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

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

**ii. Credit risk**

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

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

**Trade and other receivables**

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

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

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

### Cash and cash equivalents

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

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

### iii. Liquidity risk

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

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

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

Sr No	As at 31st March, 2025	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Borrowings	19	264.63	264.63	-
2	Trade payables	20	3,275.51	3,231.02	44.49
3	Other Financials Liability	21	19.14	19.14	-
4	Other Current Liabilities	22	968.08	968.08	-
<b>TOTAL</b>			<b>4,527.36</b>	<b>4,482.87</b>	<b>-</b>

Sr No	As at 31st March, 2024	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Borrowings	19	668.30	668.30	-
2	Trade payables	20	3,190.38	3,130.83	59.55
3	Other Financials Liability	21	16.51	16.51	-
4	Other Current Liabilities	22	901.55	901.55	-
<b>TOTAL</b>			<b>4,776.74</b>	<b>4,717.19</b>	<b>59.55</b>

### iv. Market risk

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

#### a) Currency risk

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



**Exposure to currency risk**

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

- a The Company has not entered into forward contracts to hedge the foreign currency risks arising from amounts designated in foreign currency.
- b Foreign Currency Exposures at the year end not hedged by derivative instruments:

Currency	Exposure to buy/sell	As at 31/03/2025		As at 31/03/2024	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
US Dollars	Liability	1.43	122.02	1.06	88.45
CHF	Asset	-	-	0.03	3.14
Euro	Asset	-	-	0.01	0.87
US Dollars	Asset	0.12	10.16	0.32	34.24

**b) Interest rate risk**

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

**37 Employee Benefit obligations**
**(A) Defined Benefit Plan**

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

			(₹ In Lakhs)
		As at 31 March 2025	As at 31 March 2024
<b>Funded Plan</b>			
<b>(i) Change in Defined Benefit Obligation</b>			
Opening defined benefit obligation		450.24	405.21
Amount recognised in profit and loss		0.80	
Current service cost		48.27	45.82
Interest cost		32.77	30.08
Amount recognised in other comprehensive income			
Actuarial loss / (gain) arising from:		(0.12)	0.30
Return on Plan Assets			
Financial assumptions		(6.85)	13.96
Experience adjustment			
Other			
Benefits paid		(22.50)	(40.50)
Closing defined benefit obligation		502.60	454.86

**(ii) Change in Fair Value of Assets**

Opening fair value of plan assets	433.17	388.37
Amount recognised in profit and loss	2.19	-
Interest income	31.57	29.16
Amount recognised in other comprehensive income	-	-
Actuarial gain / (loss)	-	-
Return on Plan Assets, Excluding Interest Income	(0.69)	(3.99)
Amount not recognised due to Asset limit (P.Y)		
Contributions by employer	30.58	60.60
Equitable fund transfer out	3.01	(0.47)
Benefits paid	(22.50)	(40.50)
Closing fair value of plan assets	477.33	433.17
Actual return on Plan Assets	30.88	25.17

**(iii) Plan assets comprise the following**

	Unquoted	Unquoted
Insurance fund (100%)	477.33	867.76

(The Group has this investments in Group Gratuity policy with LIC. The details of further investment by LIC is not available with the group)

**(iv) Principal actuarial assumptions used**

	%	%
Discount rate	6.63	7.25
Withdrawal Rate	1.00	1.00
Future Salary Increase	5.00	5.00

**(v) Amount recognised in the Balance Sheet**

Present value of obligations as at year end	502.60	454.86
Fair value of plan assets as at year end	477.34	433.17
Net (asset) / liability recognised as at year end	25.27	21.69
Recognised under :		
Short term provisions	7.34	10.62
Long term provisions	22.72	12.47
Other Non Current Assets	1.32	1.40
Other Current Assets	3.46	-

**TOTAL** **25.27** **21.69**

**(vi) Sensitivity analysis**

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

	As at 31st March, 2025		As at 31st March, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(6.00)	6.90	(5.80)	6.70
Future salary growth (1% movement) - Gratuity	6.90	6.10	6.80	(6.00)

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

**(vi) Expected future cash flows**

The expected maturity analysis is as follows :	(₹ In Lakhs)	
	For year ended 31.03.2025	For year ended 31.03.2024
Expected benefits for year 1	72.78	118.00
Expected benefits for year 2	17.30	19.47
Expected benefits for year 3	10.13	59.80
Expected benefits for year 4	25.66	56.70
Expected benefits for year 5	9.79	65.25
Expected benefits for year 6 and above	97.84	540.90

**38 Related Party Disclosure.**

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

**a) Relationship:**
**i. Subsidiary Companies:**

Chembond Biosciences Limited

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

Sameer V. Shah, Nirmal V. Shah, Ashwin Nagarwadia, Jayesh P. Shah, Dr. Prakash D. Trivedi, Gorsi A. Parekh , Mayank P. Shah, Rashmi S. Gavli, Suchita H. Singh, Bhadresh D. Shah, Mahendra Ghelani, Sushil Lakhani

**Relatives :**

Sameer Shah HUF, Shilpa Shah, Padma Shah, Raunaq Shah, Mallika Shah, Amrita Shah, Shashank (Amrita Husband), Alpna Shah, Jyoti Mehta, Nirmal Vinod Shah HUF, Mamta Shah, Rahil Shah, Kshitija Shah, Sameer L. Gavli, Madan Nilkhanthrao Tipnis, Rati M. Tipnis, Nupur S. Gavli, Tushar M. Tipnis, Yogita Tushar Tipnis, Hemant Singh, Ranganath Shastri, Mohan Sharma, Premlata Shastri, Shreeya Singh, Krishna Singh.

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

CCL Opto Electronics Pvt Ltd., Finor Piplaj Chemicals Ltd., S and N Ventures Private Ltd., Visan Holdings Pvt Ltd and Visan Trust, Chembond Water Technologies Ltd, Chembond Clean Water Technologies Ltd, Chembond Distribution Ltd, CCL Products LLC.

(₹ In lakhs)

For the year ended/as on	31.03.2025			31.03.2024		
Description of the nature of transactions	Subsidiary	KMP, Relatives and entities where KMP are interested	Total	Subsidiary	KMP, Relatives and entities where KMP are interested	Total
<b>Sales of Goods</b>	-	17.43	17.43	-	23.95	23.95
Chembond Water Technologies Ltd		9.74	9.74		18.12	18.12
Chembond Clean Water Technologies Ltd		7.69	7.69		5.45	5.45
Chembond Biosciences Ltd		-	-		0.38	0.38
<b>Purchase of Goods</b>	-	84.93	84.93	-	60.86	60.86
Chembond Water Technologies Ltd		1.76	1.76		3.70	3.70
Chembond Distribution Ltd		75.42	75.42		55.48	55.48
Chembond Biosciences Ltd		7.75	7.75		1.68	1.68
<b>Purchase of Fixed Assets</b>	-	-	-	-	-	-
Chembond Biosciences Ltd		-	-		-	-
<b>Rent Income</b>	-	10.00	10.00	-	15.00	15.00
Oriano Clean Energy Pvt Ltd		10.00	10.00		15.00	15.00
<b>Corporate Gurantee Fees (Income)</b>	-	24.00	24.00	-	21.56	21.56
Chembond Water Technologies Ltd		24.00	24.00		21.56	21.56
<b>Management Service Charges (Income)</b>	-	200.00	200.00	-	-	-
Chembond Water Technologies Ltd	-	200.00	200.00	-	-	-
<b>Rental Expenses</b>	-	1.20	1.20	-	1.20	1.20
Chembond Water Technologies Ltd		1.20	1.20		1.20	1.20
<b>Director Remuneration*</b>	-	198.70	198.70	-	180.35	180.35
Sameer V .Shah		175.75	175.75		159.77	159.77
Jaywant Tawade		17.95	17.95		16.41	16.41

(₹ In lakhs)

For the year ended/as on	31.03.2025			31.03.2024		
Description of the nature of transactions	Subsidiary	KMP, Relatives and entities where KMP are interested	Total	Subsidiary	KMP, Relatives and entities where KMP are interested	Total
Rashmi S. Gavli		5.00	5.00		4.17	4.17
<b>Director Sitting Fees</b>	-	<b>20.80</b>	<b>20.80</b>	-	<b>16.60</b>	<b>16.60</b>
Ashwin Nagarwadia		5.40	5.40		4.50	4.50
Mahendra Ghelani		3.50	3.50		3.80	3.80
Sushil Lakhani		3.10	3.10		3.50	3.50
Saraswati Sankar		3.70	3.70		1.90	1.90
Dr.Prakash Trivedi		3.70	3.70		2.90	2.90
Jayesh Shah		1.40	1.40			-
<b>Professional &amp; Consulting Fees</b>	-	<b>57.17</b>	<b>57.17</b>	-	<b>35.74</b>	<b>35.74</b>
Bhadresh D. Shah	-	41.97	41.97	-	35.74	35.74
CCL Products LLC		15.20	15.20			-
<b>Salaries</b>		<b>9.13</b>	<b>9.13</b>		<b>4.78</b>	<b>4.78</b>
Raunaq S. Shah		9.13	9.13		4.78	4.78
<b>Key Management Personal Remuneration</b>	-	<b>123.16</b>	<b>123.16</b>	-	<b>102.46</b>	<b>102.46</b>
Rashmi S Gavli	-	98.16	98.16	-	80.12	80.12
Suchita H Singh	-	25.00	25.00	-	22.35	22.35
<b>Royalty</b>	-	<b>6.23</b>	<b>6.23</b>	-	<b>14.32</b>	<b>14.32</b>
S and N Ventures Pvt Ltd	-	6.23	6.23	-	14.32	14.32
<b>Balance at the end of the year</b>						
<b>A. Loan Taken</b>	-	-	-	<b>25.00</b>	-	<b>25.00</b>
Chembond Biosciences Ltd			-	25.00		25.00
<b>B. Loan Repaid</b>	-	-	-	<b>25.00</b>	-	<b>25.00</b>
Chembond Bioscie0nces Ltd			-	25.00		25.00
<b>C. Sundry Debtors</b>	-	<b>3.85</b>	<b>3.85</b>	-	<b>1.52</b>	<b>3.79</b>
Chembond Water Technologies Ltd		2.56	2.56			-
Chembond Clean Water Technologies Ltd		1.29	1.29		1.52	1.52
Chembond Biosciences Ltd			-			-
Oriano Clean Energy Pvt Ltd					2.27	2.27
<b>D. Sundry Creditors</b>	-	<b>18.53</b>	<b>18.53</b>	-	<b>21.19</b>	<b>21.19</b>
Chembond Water Technologies Ltd		3.58	3.58		0.10	0.10
Chembond Distribution Ltd		<b>3.38</b>	<b>3.38</b>		<b>20.92</b>	<b>20.92</b>
CCL Products LLC		11.44	11.44			-
Finor Piplaj Chemicals Ltd.		0.13	0.13		0.17	0.17

### 39 Capital Management

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

As at 31st March, 2025, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

(Refer Note no. 42 for Debt/Equity ratio)

40 Tax Reconciliation	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
Particulars		
(a) The income tax expense consists of the followings:		
Current Income Tax	328.09	595.59
Deferred Tax Expense	(138.23)	(43.76)
<b>Tax expense for the year</b>	<b>189.86</b>	<b>551.83</b>
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax Rate		
Profit before income tax expense	1,946.10	1,669.47
Indian statutory income tax rate (MAT)	17.47%	17.47%
Expected Income Tax expenses	340.02	291.69
<b>Part A</b>		
Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
Additional allowances/deduction	336.51	298.27
Others	(8.41)	297.32
<b>Current Tax (A)</b>	<b>328.09</b>	<b>595.59</b>
<b>Part B</b>		
Deferred Tax rate		
Written Down Value Of Property Plant & Equipment	(170.31)	9.54
Investments at Fair Value	353.30	(74.67)
Other Deductible Temporary Differences	(32.42)	(14.58)
Gratuity	15.47	13.75
MAT Credit	(312.10)	40.78
Provision for Expected Credit Loss	7.83	(18.59)
<b>Deferred Tax (B)</b>	<b>(138.23)</b>	<b>(43.76)</b>
<b>Tax Expense (A+B)</b>	<b>189.86</b>	<b>551.83</b>



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

Particulars	As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
<b>A) Contingent Liabilities not provided for :</b>		
<b>a) Claims against the company not acknowledged as debts -</b>		
i).Income Tax matters under Appeal	14.39	14.61
ii) TDS Default	6.21	1.85
iii) Income tax demands pending for rectification	412.13	412.13
iv) Service tax due as per final audit report and show cause notice**	259.42	259.42
v) GST Demand on sale of Thane Plot- Dy Commissioner of State Tax	178.48	-
vi) Devendra Feeds India Private Limited has lodged. F.I.R dated 24th June, 2022 with police station Safidon, District Jind, Haryana against Chembond Chemicals Limited, Mr Sameer Shah (Chairman & Managing Director) and 3 other current & ex-employees, with respect to damage caused by inferior quality of Products. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is being currently considered by the Competent Authorities and Courts.	-	-
vii) Rajkumar Mor of Mor Hatcheries has lodged. F.I.R dated 4th January, 2023 with police station Pillukhera, District Jind, Haryana against Chembond Biosciences Limited and Mr. Sameer Shah (Director), with respect to inferior quality of Products. Chembond Biosciences Limited has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is being currently considered by the Competent Authorities and Courts.	-	-
<b>b) Counter Guarantees given by Company for Bank Guarantees issued -</b>		
i) Corporate Guarantee given to Bank of India by the Company on behalf  Chembond Water Technologies Ltd. & Chembond Clean Water Technologies Ltd.	2,550.00	2,550.00
<b>c) Notice for stamp duty-</b>		
During the year Chembond Material Technologies Private Limited (CMTPL) has received show cause notice from stamp duty department of Maharashtra with respect to non payment of stamp duty on NCLT order for amalgamation of Chembond Polymers and Mateials Limited with CMTPL. Pursuant to Scheme of Arrangement approved by NCLT in April 2025, CMTPL has been amalgamated with the Company. The response has been filed with concerned authority and the amount of liability cannot be determined at this stage.		

(₹ in lakhs except otherwise stated)

**42 Ratios**
**(a) Current Ratio**

Current Assets(A)

10,128.85

10,220.34

Current Liabilities(B)

4,550.08

4,787.35

**Current Ratio( A/B)**
**2.23**
**2.13**
**4.27%**
**(b) Debt-Equity Ratio**

Total Borrowings(A)- Current +  
Non-current borrowings (A)

264.63

668.30

Total Shareholders' Equity(B) - Total Equity (B)

15,616.54

14,324.24

**Debt-Equity Ratio( A/B)**
**0.02**
**0.05**
**-63.68%**
**(c) Debt Service Coverage Ratio #**

Earnings for debt service= Net profit after taxes +  
Non- Cash operating expenses+Interest+ Other  
adjustments (A)

1,402.14

1,337.04

Interest on Loan+Loan repayment in a year(B)

467.47

744.33

**Debt Service Coverage Ratio( A/B)**
**3.00**
**1.80**
**66.98%**
**(d) Return on Equity Ratio #**

Net Profit(A)

1,756.24

1,117.63

Shareholders Equity(B)

15,616.54

14,324.24

**Return on Equity Ratio( A/B)**
**11.25%**
**7.80%**
**44.14%**
**(e) Inventory turnover ratio**

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

11,608.35

10,651.65

Inventory(B)

1,621.73

1,563.14

**Inventory turnover Ratio( A/B)**
**7.16**
**6.81**
**5.04%**
**(f) Trade receivables turnover ratio**

Net sales(A)

19,885.82

17,754.13

Accounts receivable(B)

3,991.71

4,869.66

**Trade receivable turnover Ratio( A/B)**
**4.98**
**3.65**
**36.64%**
**(g) Trade Payables turnover ratio**

Net Purchases(A)

11,608.35

10,651.65

Trade payable(B)

3,275.51

3,190.38

**Trade Payables turnover Ratio( A/B)**
**3.54**
**3.34**
**6.15%**
**(h) Net Capital turnover ratio**

Net sales(A)

20,129.99

17,824.43

Working capital (i.e. Total current assets - Total  
Current Liabilities) (B)

5,578.77

5,432.98

**Net Capital turnover Ratio( A/B)**
**3.61**
**3.28**
**9.98%**

(₹ in lakhs except otherwise stated)

**42 Ratios**
**(i) Net Profit ratio #**

Net Profit(A)

1,756.24

1,117.63

Net Sales(B)

20,129.99

17,824.43

**Net Profit Ratio( A/B)**
**8.72%**
**6.27%**
**39.14%**
**(j) Return on Capital employed #**

EBIT(A) - PBT+Finance Costs

2,009.90

1,745.50

Shareholders Equity Fund

15,616.54

14,324.24

**Return on Capital employed( A/B)**
**12.87%**
**12.19%**
**5.62%**
**(k) Return on Investment #**

Income generated from investment funds (Dividend  
Income+ Realised and unrealised gain on investments)  
(A)

590.53

699.89

Cost of Investments (B)

7,192.25

5,765.92

**Return on Investment( A/B)**
**8.2%**
**12.14%**
**-32.36%**

b#- Debt Equity ratio has improved on account of partial repayment of borrowings and healthy cashflow.

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

f#- Debtors Turnover Ratio has improved on account of improvement in collection days and better realisation from trade receivables.

d, i #- Return on equity and Net Profit have improved at the backdrop of strong sales growth and softening of input costs across operating business units and other non operating income.

k#- ROI on Mutual Fund Investment has reduced on account of decerasing yield on debt and equity funds.

**43 Financial information pursuant to Schedule III of Companies Act 2013**

(₹ in lakhs except otherwise stated)

Sr. No.	Name of the entity	Net Assets(Total assets minus total liabilities)		Share in Profit or loss		Share in Other comrehensive income		Share in total comrehensive income	
		31 <sup>st</sup> March 2025		31 <sup>st</sup> March 2025		31 <sup>st</sup> March 2025		31 <sup>st</sup> March 2025	
		As % of consolidated net assets	Amount (₹In Lakhs)	As % of consolidated profit or loss	Amount (₹In Lakhs)	As % of consolidated profit or loss	Amount (₹In Lakhs)	As % of consolidated profit or loss	Amount (₹In Lakhs)
1	<b>Parent</b>								
	Chembond Material Technologies Limited	105%	16,400.52	98.07%	1,722.36	80.46%	5.43	98.00%	1,727.79
	<b>Indian Subsidiaries</b>								
	Chembond Biosciences Limited	-3.67%	(783.98)	1.93%	33.88	19.54%	1.32	2.00%	35.20
	<b>Consolidation adjustments/Eliminations</b>	-0.89%	(190.00)						
	<b>Total</b>	<b>100.00%</b>	<b>15,616.55</b>	<b>100.00%</b>	<b>1,756.24</b>	<b>100.00%</b>	<b>6.75</b>	<b>100.00%</b>	<b>1,762.99</b>

**NOTE : 44**
**Ageing Schedule for Trade receivables**
**Ageing for trade receivables outstanding as on 31st Mar'25 is as follows :**
**(₹ In Lakhs)**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	3,197.86	264.51	428.01	10.01	43.41	47.91	3,991.71
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) undisputed trade receivables - credit impaired	-	-	-	-	172.73	169.40	342.13
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Less : Allowance for doubtful trade receivables	-	-	-	-	(172.73)	(169.40)	(342.13)
<b>Total</b>	<b>3,197.86</b>	<b>264.51</b>	<b>428.01</b>	<b>10.01</b>	<b>43.41</b>	<b>47.91</b>	<b>3,991.71</b>

**Ageing for trade receivables outstanding as on 31st Mar'24 is as follows :**
**(₹ In Lakhs)**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	3,060.98	1,162.78	505.46	68.89	33.67	37.87	4,869.66
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) undisputed trade receivables - credit impaired	-	-	-	167.81	86.72	95.88	350.41
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	-	-	-	(167.81)	(86.72)	(95.88)	(350.41)
<b>Total</b>	<b>3,060.98</b>	<b>1,162.78</b>	<b>505.46</b>	<b>68.89</b>	<b>33.67</b>	<b>37.87</b>	<b>4,869.66</b>

**45 Ageing Schedule for Trade Payables**

Ageing for trade Payables outstanding as on 31st Mar'25 is as follows :

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 yr	1 -2 yrs	2-3 yrs	More than 3 yrs.	
I) MSME	365.09	-	-	-	-	365.09
II) Others	2,066.15	799.78	10.52	17.98	16.00	2,910.42
III) Disputed dues - MSME	-	-	-	-	-	-
IV) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,431.24</b>	<b>799.78</b>	<b>10.52</b>	<b>17.98</b>	<b>16.00</b>	<b>3,275.51</b>

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

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 yr	1 -2 yrs	2-3 yrs	More than 3 yrs.	
I) MSME	329.17	-	-	-	-	329.17
II) Others	1,654.40	1,147.26	27.86	25.29	6.38	2,861.20
III) Disputed dues - MSME	-	-	-	-	-	-
IV) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1,983.57</b>	<b>1,147.26</b>	<b>27.86</b>	<b>25.29</b>	<b>6.38</b>	<b>3,190.37</b>

**46 Ageing Schedule for Capital Work in Progress**

Ageing for CWIP as on 31st Mar'25 is as follows :

(₹ In Lakhs)

Particulars	Amount in CWIP for period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in progress	130.48	84.80	535.28	-	750.56
ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>130.48</b>	<b>84.80</b>	<b>535.28</b>	<b>-</b>	<b>750.56</b>

Ageing for CWIP as on 31st Mar'24 is as follows :

Particulars	Amount in CWIP for period of					(₹ In Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
i) Projects in progress	55.63	1,263.90	-	14.85	1,334.38	
ii) Projects temporarily suspended	-	-	-	-	-	
<b>Total</b>	<b>55.63</b>	<b>1,263.90</b>	<b>-</b>	<b>14.85</b>	<b>1,334.38</b>	

#### 47 Additional regulatory information not disclosed elsewhere in the financial information

- A** The Company and its Indian subsidiaries do not have any Benami property and no proceedings have been initiated or pending against the Company and its Indian subsidiaries for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- B** The Company do not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, during the FY 24-25 & FY 23-24
- C** The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- D** The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:  
directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- E** The Group have not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- F** The Group have not traded or invested in Crypto currency or Virtual Currency during the current or previous year.
- G** The Group have not been declared as a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- H** The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

#### 48 Working Capital Facilities:-

##### Details of credit facilities from banks:

The Group has sanctioned credit facilities from HDFC Bank of Rs. 472.50 lakhs and Bank of India of Rs. 600.00 Lakhs.

The Group has utilised cash credit facilities at the year end to the tune of Rs.264.63 Lakhs from Bank of India.

##### Terms of loan



The credit facility carries interest at mutually agreed rates, (interest payable on monthly rests).

The credit facility is secured by : Hypothecation of stocks and bookdebts, Factory land & building and fixed deposits

“Utilisation of borrowings :

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

#### **49 Audit Trail**

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

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

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

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

#### **50 Events occurring After Balance sheet date**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and / or reporting of any of these events and transactions in the financial statements. Pursuant to the Composite Scheme of Arrangement approved by the Hon'ble NCLT on April 7, 2025 Further the Company has filed the certified copy of the said order with the Registrar of Companies on 3rd May 2025. These events, occurring after the reporting date but before the approval of the financial statements, have been Adjusted and Disclosed in accordance with Ind AS 110.

“Composite scheme of arrangement:

Chembond Chemicals Limited (Demerged / CCL / Company), Chembond Chemical Specialties Limited (“Resulting Company”, CCSL), Chembond Clean Water Technologies Limited (CCWTL), Chembond Material Technologies Private Limited (CMTPL), Phiroze Sethna Private Limited (PSPL) and Gramos Chemicals India Private Limited (GCIPL) and their respective shareholders have entered into a Composite Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 (“Scheme”) which contemplates Amalgamation of CMTPL, PSPL and GCIPL with CCL, demerger of “Construction Chemicals and Water Technologies chemicals” business from CCL to CCSL and amalgamation of CCWTL into CCSL, as on the Appointed Date of 1st April, 2024. The said Scheme was approved by the National Company Law Tribunal, Mumbai Bench (“NCLT”) on 7th April, 2025 and the Company has received the certified order copy on 22nd April 2025. The Company has filed the certified copy of the said order with the Registrar of Companies for CCL, CCSL, CMTPL, PSPL, GCIPL and CCWTL on 29/04/2025, 30/04/2025, 01/05/2025, 01/05/2025, 02/05/2025 and 03/05/2025 respectively, as such the Scheme has become effective from the respective dates for all the companies involved in the Scheme.

Upon demerger, the Resulting Company is required to issue its equity shares to each shareholder of the Demerged Company as on record date in 1:2 swap ratio (i.e., for every one share held in the Demerged Company, two shares of Rs. 5 each will be issued by the Resulting Company). The said allotment of 2,68,96,576 shares

has been approved by the Allotment Committee of CCSL on 13/05/2025 and the equity shares were allotted to the shareholders in the said ratio.”

## 51 Accounting Treatment as per IND AS 103- Business Combination:

Pursuant to the Composite Scheme of Arrangement the following transactions related to CMTL were effected:

Demerger of (WT) and (CC ) Undertaking of CMTL and transferred to CCSL

The Water Technologies (WT) and Construction Chemicals (CC) business undertaking of Chembond Material Technologies Limited (“the Demerged Company” formerly Known as Chembond Chemicals Limited) was demerged and transferred to Chembond Chemical Specialties Limited (“CCSL” or “the Resulting Company”) with effect from the Appointed Date, i.e., 1st April 2024.

Amalgamation of CMTPL, PSPL & GCIPL with CMTL.

Subsequently, Chembond Material Technologies Private Limited (CMTPL), Phiroze Sethna Private Limited (PSPL) & Gramos Chemicals India Private Limited (GCIPL) was amalgamated with CMTL as part of the Scheme.

The above transactions has been accounted for as a common control business combination in accordance with Appendix C of Ind AS 103 – Business Combinations, using the pooling of interest method. Accordingly:

- The assets, liabilities, and reserves of CMTPL, PSPL & GCIPL have been transferred to and vested in CMTL at their respective carrying values.
- The standalone financial results for the quarter and year ended 31st March 2025 include the merged financial results of the CMTPL, PSPL & GCIPL and effect of Demerger of CMTL for the relevant period as per the method of accounting prescribed in the Scheme and in accordance with principles of Indian Accounting Standards, including IND AS 103 (Business Combinations)
- The comparative figures for the quarter ended 31st December 2024, and for the quarter and year ended 31st March 2024, have been restated to include the corresponding financial results of the CMTPL, PSPL & GCIPL and demerger of CMTL for those periods, to ensure comparability.

**52** Pursuant to Part IV of Composite scheme of arrangement which was approved by the National Company Law Tribunal, Mumbai Bench (“NCLT”) on 7th April, 2025, Chembond Chemicals Limited is now renamed as “Chembond Material Technologies Limited”(“CMTL”) with effect from 27th May 2025.

## 53 Fire Incident:

Exceptional Item pertains to profit of ₹154.74 lakhs, arising on account of full and final settlement of insurance claim related to Replacement value of Property plant & Equipement that had damaged due to fire incident occurred at the Tarapur plant in the month of April 2022.

**54** The Group has evaluated the option permitted under section 115BAA of the Income Tax Act, 1961 (the “Act”) as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has presently decided to continue with the existing tax structure.

**55** In addition to the restatement pursuant to scheme of arrangement as per note 51 above, 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 S H B A & CO LLP**  
(Formerly known as Bathiya & Associates LLP)  
Chartered Accountants  
FRN - 101046W/W100063

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767

Mumbai, 30th May 2025

**On behalf of the Board of Directors**

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

**Rashmi S. Gavli**  
Chief Financial Officer

Mumbai, 30th May 2025

**Jayesh Shah**  
Director  
DIN: 00138346

**Suchita Singh**  
Company Secretary

## NOTICE

**NOTICE** is hereby given that the 50<sup>th</sup> Annual General Meeting (“AGM”) of the Members of Chembond Material Technologies Limited (CIN: L24100MH1975PLC018235) will be held on Thursday, August 14, 2025, at 3.00 p.m. through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS

#### 1. To consider and adopt

- (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2025 together with the reports of the Board of Directors and Auditors thereon; and
- (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2025 together with the report of the Auditors thereon.

#### 2. To declare final dividend on equity shares for the financial year ended March 31, 2025

#### 3. To appoint a Director in place of Mr. Nirmal V. Shah (DIN:00083853), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 4. Resignation of Statutory Auditor

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

“**RESOLVED THAT** pursuant to the provisions of Section 140 of the Companies Act, 2013 read with Rule 8 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the resignation of M/s. S H B A & CO LLP, Chartered Accountants (Firm Reg. No. 101046W / W100063) as the Statutory Auditors of the Company w.e.f. the date of the 50<sup>th</sup> Annual General Meeting of the Company to be held in the year 2025, be and is hereby noted and accepted;

**RESOLVED FURTHER THAT** the Board places on record its appreciation for the assistance and guidance provided M/s. S H B A & CO LLP, Chartered Accountants during their tenure as Statutory Auditor of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company and the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and

things as it may, in its absolute discretion, deem necessary or proper or expedient to give effect to the aforesaid resolution.”

#### 5. Appointment of Statutory Auditor

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

“**RESOLVED THAT** pursuant to the provisions of Section 139, 141 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) M/s. Kastury & Talati, Chartered Accountants, Mumbai (Firm Reg. No. 104908W), who have confirmed their eligibility to be appointed as the Statutory Auditors of the Company for a period of five (5) years, from ensuing 50<sup>th</sup> Annual General Meeting to be held in 2025 until the conclusion of the 55<sup>th</sup> Annual General Meeting to be held in 2030 to conduct audit of accounts of the Company on such terms and conditions and at a remuneration as mentioned in the Statement annexed herewith pursuant to Section 102 of the Act;

**RESOLVED FURTHER THAT** the Board of Directors of the Company and the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or proper or expedient to give effect to the aforesaid resolution.”

#### 6. To appoint Mr. Virendra G. Bhatt – Practicing Company Secretary (ACS – 1157 / CP – 124) as a Secretarial Auditor of the Company

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

“**RESOLVED THAT** pursuant to provision of Section 204 of Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A(1)(b) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement), Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Audit Committee and Board of Directors, approval of the Members of the Company be and is hereby given for appointment of Mr. Virendra G. Bhatt (ACS – 1157 / CP – 124), Practicing Company Secretary as the Secretarial Auditor of the Company,

for a term of five (5) consecutive years, commencing from FY 2025-26 till FY 2029-30, to undertake the Secretarial Audit and issue Secretarial Audit Report and Secretarial compliance for the aforesaid period at such remuneration plus taxes and out of pocket expenses as stated in the statement annexed herewith and as may be determined by the Audit Committee and / or Board of Directors of the Company in such manner and to such extent as may be mutually agreed with the Secretarial Auditor and as mentioned in the Explanatory Statement;

**RESOLVED FURTHER THAT** the Board of Directors of the Company and the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or proper or expedient to give effect to the aforesaid resolution.”

#### 7. To approve remuneration to Cost Auditor

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

“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (“the Act”), M/s. Aatish & Associates, Cost & Management Accountants, Mumbai, (FRN: 006726/Membership No. 30105), appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the FY ending March 31, 2026, be paid a remuneration of ₹1,21,000/- (Rupees One Lakh Twenty One Thousand only), plus Goods and Services Tax and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit.”

#### 8. Appointment of Mr. Jaywant Tawade (DIN: 08231696) as a Director of the Company

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

“**RESOLVED THAT** Mr. Jaywant Tawade (DIN: 08231696), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee as an Additional (Executive) Director of the Company with effect from May 31, 2025 and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Articles of Association of the Company and who is eligible for appointment

and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company;

**RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 17(1A) of Securities and Exchange Board of India Listing Regulation and other applicable provisions, if any, consent of the members of the Company be and is hereby accorded to the appointment and continuation of Mr. Jaywant Tawade (DIN:08231696) as an Executive Director of the Company, who has attained the age of 75 years.

**RESOLVED FURTHER THAT** approval of the Company be and is hereby accorded to the Board of Directors of the Company (including any Committee thereof) and the key managerial personnel to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to execute all necessary documents, applications, returns and writings as may be necessary, proper or expedient”.

#### 9. Appointment of Mr. Jaywant Tawade (DIN: 08231696) as an Executive Director of the Company

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

**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 and all other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“the Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors (Board), consent of the members of the Company be and is hereby accorded to appoint Mr. Jaywant Tawade (DIN: 08231696), as an Executive Director of the Company w.e.f. May 31, 2025 for a term upto 3 consecutive years i.e. from the date of appointment, on terms and conditions of appointment and remuneration and commission as set out in the Explanatory Statement annexed hereto, which shall be deemed to form part hereof, with liberty to the Board to vary the terms and conditions of the said appointment including remuneration, as may be mutually agreed with Mr. Tawade from time to time, without being required to seek further approval of the members



of the Company or otherwise to the end intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.;

**RESOLVED FURTHER THAT** approval of the Company be and is hereby accorded to the payment of remuneration as set out in the Explanatory Statement annexed hereto or such other remuneration as may be mutually agreed in the manner as set out above, as minimum remuneration for a period not exceeding three (3) years or such other period as may be statutorily permitted, in the event of inadequacy or absence of profits as contemplated under Section 197 and all other applicable provisions of the Act read with Schedule V of the Act;

**RESOLVED FURTHER THAT** approval of the Company be and is hereby accorded to the Board of Directors of the Company (including any Committee thereof) and the key managerial personnel to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to execute all necessary documents, applications, returns and writings as may be necessary, proper or expedient.”

**10. To approve re-appointment of Mr. Sameer V. Shah (DIN: 00105721) as the Chairman and Managing Director**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 and all other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“the Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors (Board), consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Sameer V. Shah (DIN: 00105721), as the Chairman and Managing Director of the Company with effect from August 1, 2025 for a term upto 3 consecutive years i.e. from the date of appointment, on terms and conditions of appointment and remuneration and commission as set out in the Explanatory Statement annexed hereto, which shall be deemed to form part hereof, with liberty to the Board to vary the terms and conditions of the said appointment including remuneration, as may be mutually agreed with Mr.

Shah from time to time, without being required to seek further approval of the members of the Company or otherwise to the end intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** approval of the Company be and is hereby accorded to the payment of remuneration as set out in the Explanatory Statement annexed hereto or such other remuneration as may be mutually agreed in the manner as set out above, as minimum remuneration for a period not exceeding three (3) years or such other period as may be statutorily permitted, in the event of inadequacy or absence of profits as contemplated under Section 197 and all other applicable provisions of the Act read with Schedule V of the Act;

**RESOLVED FURTHER THAT** approval of the Company be and is hereby accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to execute all necessary documents, applications, returns and writings as may be necessary, proper or expedient.”

**11. Approval of CHEMBOND Employee Stock Option Scheme 2025 (“CHEMBOND ESOP 2025”) and granting of stock options to the employees of the Company under CHEMBOND ESOP 2025**

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (“the Act”), the applicable provisions of the Securities and Exchange Board of India (“SEBI”) (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, read with all the circulars and notifications issued in this regard (“the SBEB Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), including any statutory modifications or amendments or re-enactment thereof for the time being in force, the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder and such other applicable laws, rules, regulations of any statutory/regulatory authority(ies), (‘Applicable Laws’), the relevant provisions of the Memorandum and Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee

of the Company ("NRC") (also designated as Compensation Committee ("CC") and the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), and subject to such other approvals, permissions and sanctions as may be required from the appropriate authorities or bodies and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the Members of the Company be and is hereby accorded for adoption and implementation of 'CHEMBOND Employees Stock Option Scheme 2025' ('CHEMBOND ESOP 2025'), the salient features of which are set out in the explanatory statement annexed hereto, and to create, offer, grant, issue and allot Employee Stock Options ('Stock Options') under CHEMBOND ESOP 2025, from time to time in one or more tranches not exceeding 4,00,000 (Four Lakh only) Stock Options constituting of approximately 3% of the issued Equity Share Capital of the Company as on March 31, 2025 to or for the benefit of such Eligible Employees of the Company, exclusively working in India or abroad as determined in the terms of the Scheme exercisable into not more than 4,00,000 equity shares of face value of ₹5 (Rupees Five Only) each fully paid up ('Shares') where one option would convert into one equity share upon exercise, on such terms and in such manner, in accordance with the provisions of the applicable laws and the provisions of the CHEMBOND ESOP 2025."

**RESOLVED FURTHER THAT** the Board and/or NRC and/or CC or any other committee authorised by the Board, be and is hereby authorised to issue Stock Options to Eligible Employees and allot Equity Shares, from time to time, upon exercise of Stock Options by Eligible Employees, in accordance with the terms of the CHEMBOND ESOP 2025 and such Equity Shares shall rank pari-passu in all respects with the then existing Equity Shares of the Company;

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares, buyback of shares, change in capital structure, scheme of arrangement etc., the outstanding Stock Options, granted/to be granted under the CHEMBOND ESOP 2025 and/or the exercise price shall be suitably adjusted, as may be required in compliance with the provisions of the Applicable Laws;

**RESOLVED FURTHER THAT** any one of the Directors

of the Company and/or the Company Secretary be and are hereby severally authorised to take requisite steps for listing of the Equity Shares allotted under the CHEMBOND ESOP 2025 on the Stock Exchanges where the Equity Shares of the Company are listed in due compliance with the provisions of the Applicable Laws;

**RESOLVED FURTHER THAT** for the purpose of bringing into effect and implementing CHEMBOND ESOP 2025 and generally for giving effect to these Resolutions, the Board and/or NRC and/or CC be and are hereby authorised, on behalf of the Company, to do all such acts, matters, deeds, things and give such directions as may be considered necessary, expedient, incidental or desirable for giving effect to the above and with the authority to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage and to carry out any modifications, changes, variations, alterations or revisions in the terms and conditions of the CHEMBOND ESOP 2025, to the extent permissible under the Applicable Laws, without requiring the Board and/or NRC and / or CC to obtain any further consent or approval of the Members of the Company;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors with a power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary to give effect to this resolution."

## **12. To consider and approve grant of Employee Stock Options to the Employees of Subsidiary / Associate Companies of the Company under CHEMBOND ESOP 2025**

To consider and if deemed fit, to pass with or without modification(s), the following resolution as a **Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder ("the Act"), the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, read with all the circulars and notifications issued in this regard ("the SBEB Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), including any statutory modifications or amendments or re-enactment thereof for the time being in force, the Foreign Exchange



Management Act, 1999 and rules and regulations framed thereunder and such other applicable laws, rules, regulations of any statutory/regulatory authority(ies), ('Applicable Laws'), the relevant provisions of the Memorandum and Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee of the Company ("NRC") (also designated as Compensation Committee ("CC") and the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), and subject to such other approvals, permissions and sanctions as may be required from the appropriate authorities or bodies and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the Members of the Company be and is hereby accorded to extend the benefit of and under the 'CHEMBOND Employees Stock Option Scheme 2025' ('CHEMBOND ESOP 2025'), including the grant of Employee Stock Options and issuance of equity shares thereunder not exceeding 4,00,000 (Four Lakh only) Employee Stock Options constituting of approximately 3% of the issued Equity Share Capital of the Company as on March 31, 2025, to the eligible employees of the subsidiary company (ies) and / or associate company (ies) exclusively working in India or abroad, as determined in the terms of the CHEMBOND ESOP 2025 and to authorise the Board / NRC / CC to offer, issue, grant and allot from time to time in one or more tranches Employee Stock Options ('Stock Options') under CHEMBOND ESOP 2025 to the eligible employees of the subsidiary / associate companies as determined in terms of CHEMBOND ESOP 2025, within the ceiling of total number of options and equity shares, as specified in CHEMBOND ESOP 2025 along with such other terms and in such manner, in accordance with the provisions of Applicable Laws and provisions of the CHEMBOND ESOP 2025 and such Equity Shares shall rank pari-passu in all respects with the existing Equity Shares of the Company;

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares, buyback of shares, change in capital structure, scheme of arrangement etc., the outstanding Stock Options, granted/to be granted under the CHEMBOND ESOP 2025 and/or the exercise price shall be suitably adjusted, as may be required in compliance with the provisions of the Applicable Laws;

**RESOLVED FURTHER THAT** any one of the Directors of the Company and/or the Company Secretary be and are hereby severally authorised to take requisite steps for listing of the Equity Shares allotted under the CHEMBOND ESOP 2025 on the Stock Exchanges where the Equity Shares of the Company are listed in due compliance with the provisions of the Applicable Laws;

**RESOLVED FURTHER THAT** for the purpose of bringing into effect and implementing CHEMBOND ESOP 2025 and generally for giving effect to these Resolutions, the Board and/or NRC and / or CC be and are hereby authorised, on behalf of the Company, to do all such acts, matters, deeds, things and give such directions as may be considered necessary, expedient, incidental or desirable for giving effect to the above and with the authority to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage and to carry out any modifications, changes, variations, alterations or revisions in the terms and conditions of the CHEMBOND ESOP 2025, to the extent permissible under the Applicable Laws, without requiring the Board and/or NRC and / or CC to obtain any further consent or approval of the Members of the Company;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors with a power to further delegate to any executives / officers of the company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary to give effect to this resolution."

### **13. Appointment of Mr. Kamal Tandon (DIN: 09664746) as a Director and an Independent Director**

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

**"RESOLVED THAT** Mr. Kamal Tandon (DIN: 09664746), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee as an Additional (Non-Executive, Independent) Director of the Company with effect from July 16, 2025 and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('the Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a

Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company;

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17, 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), as amended, the appointment of Mr. Kamal Tandon,

who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing from July 16, 2025 up to July 15, 2030, be and is hereby approved;

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

Navi Mumbai  
May 30, 2025

By Order of the Board of Director  
of **Chembond Material Technologies Limited**  
(formerly Chembond Chemicals Limited)

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

sd/-  
**Suchita Singh**  
Company Secretary

**NOTES:**

1. The Ministry of Corporate Affairs (“MCA”) has vide its general circular dated read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020 January 13, 2021, May 5, 2022, December 28, 2022 and September 25, 2023, September 19, 2024 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (SEBI), vide its circulars dated May 12, 2020, January 15, 2021, January 5, 2023, October 7, 2023 and October 3, 2024 (“SEBI Circulars”) permitted to hold Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), MCA Circulars and SEBI Circulars, the 50<sup>th</sup> AGM is being held through VC / OAVM only. Hence Members can attend the AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. The Company has made arrangements through National Securities Depository Limited (“NSDL”), to provide VC / OAVM facility for the AGM and for conducting the e-AGM. The Members can join the e-AGM 15 minutes before the scheduled time of the AGM following the procedure mentioned in the Notice.

2. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business item Nos. 4 to 13 of the Notice, is annexed hereto.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies shall not be available for AGM and hence Proxy Form and Attendance Slip are not annexed to this Notice. Institutional / Corporate shareholders intending to depute their authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes

through e-voting are requested to send a certified copy of its Board Resolution / authorisation letter, authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution / authorisation should be sent by email to [cs@chembond.in](mailto:cs@chembond.in) or: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or upload on the website of NSDL <http://www.evoting.nsdl.com>.

4. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the AGM and the facility shall be made available to the Members on first-cum-first served basis. The facility to join the AGM will close 15 minutes after the scheduled time or when the capacity is full whichever is earlier by following the procedure mentioned below. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 Members only on a first-cum-first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first-cum-first served basis. In case of joint holders, attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. In terms of Section 152 of the Act, Mr. Nirmal V. Shah (DIN: 00083853), Director, retires by rotation at the AGM and being eligible, offers himself for re-appointment. As per explanation to Section 152(6)(e) of the Act, total number of Directors for the purpose of determining Directors liable to retire by rotation shall not include Independent Directors, whether appointed under the Act or any other law for the time being in force. Information of Director proposed to be re-appointed at the AGM as required by Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings is annexed to the Notice. The Director has furnished the requisite declarations for his re-appointment, as applicable.

7. Queries on financial statements and/or operations of the Company, if any, may please be sent to the Company atleast seven days in advance of the meeting so that the answers may be made available at the AGM.
8. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode by the Members from the date of circulation of this notice upto the date of 50<sup>th</sup> AGM.
9. The Board of Directors has recommended a Final Dividend of ₹ 1.75/- (Rupees One Rupee Seventy Five paise only) per equity share of ₹5/- (Rupees Five only) each (35%) for the financial year ended March 31, 2025 subject to approval of the Members at the ensuing AGM. The Dividend, if approved by the Members at the ensuing AGM will be paid to those shareholders whose names stand registered.
  - a. Beneficial owners at the end of business hours on July 31, 2025, being the record date as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) will be paid the Final Dividend for the financial year ended March 31, 2025, as recommended by the Board, if approved at the AGM, on or after August 19, 2025.
  - b. As members in the Register of Members of the Company after giving effect to valid transmission/ transposition in physical form lodged with the Company's Registrar and Share Transfer Agent (RTA) MUFG Intime India Private Limited (formerly Link Intime India Private Limited), C-101, 1<sup>st</sup> floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400 083, on or before the Record date. The transmission/transposition requests complete in all respects should reach the RTA well before the above date.

Members holding shares in physical mode are requested to send all the communications pertaining to shares of the Company including intimation of changes pertaining

to their bank account details, mandates, nominations, change of address, e-mail id etc with the Company's RTA – MUFG, at their Registered Address or e-mail at [csg-unit@in.mpms.mufig.com](mailto:csg-unit@in.mpms.mufig.com) along with a copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Aadhar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member.

Members holding shares in electronic form must intimate the changes, if any, to their respective Depository Participants (DPs).

In case of any queries / difficulties in registering the e-mail address or any other details, Members may write to [cs@chembond.in](mailto:cs@chembond.in).

- c. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to the RTA of the Company. Members holding shares in electronic mode may contact their respective DPs for availing this facility.
- d. As per Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 November 3, 2021, and clarification vide Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 issued by SEBI, on Common and Simplified Norms for processing Investor's Service Request by RTAs. SEBI has mandated the furnishing of PAN, Address with PIN code, E-mail address, Mobile No., Bank Account details, Specimen Signature & Nomination by holders of physical securities and that from January 1, 2022, RTAs shall not process any service requests or complaints received from the holder(s)/ claimant(s), till PAN, KYC and Nomination documents/details etc. are received. The Company has sent reminders to the physical holders whose mandatory details are yet to be updated.

- e. As per the provisions of Section 124 of the Act, dividends not en-cashed/ claimed by the Members of the Company, within a period of seven (7) years from the date of declaration of dividend, shall be transferred to the Investor Education and Protection Fund (IEPF) by the Company.

The details of Dividends declared and paid by the Company and the corresponding tentative due dates for transfer of such un-cashed / un-claimed dividend are given in the Corporate Governance Report under the heading 'Unpaid / Unclaimed Dividends'.

Details of shares transferred to the IEPF Authority are available on the website of the Company at <https://chembond.in/unclaimed-dividend/>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in). Members who have not encashed / claimed dividend warrant(s) so far in respect of the above financial years are requested to make their claims to the RTA of the Company well in advance of the above tentative dates.

Further, pursuant to the provisions of Section 124 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), all shares on which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred to IEPF.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules. Concerned members/ investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html>.

Members are requested to claim any un-cashed dividends and for future opt for electronic clearing service, so that dividends paid by the Company are credited to the Members account on time.

10. Annual Report 2024-25 is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/ DPs. The Annual Report is also uploaded on the website of the Company at [www.chembond.in](http://www.chembond.in). Further, pursuant to regulation 36(1)(b) of Listing Regulations, a letter providing the weblink of annual report has been sent to those shareholders who have not registered their email id's. Members may note that the Notice and Annual Report 2024-25 can also be accessed from websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of NSDL (agency for providing remote e-voting facility and e-voting system during the AGM) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
11. Rule 18 of the Companies (Management and Administration) Rules, 2014 requires a company to provide an advance opportunity at least once in a financial year, to the member to register his/ her e-mail address and changes therein and such request may be made by only those members who have not got their e-mail id recorded or to update a fresh e-mail id and not from the members whose e-mail ids are already registered. Members are requested to get their e-mail ids registered with their DP or RTA. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number and type, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to MUFG in case the shares are held by them in physical form quoting your folio no.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s)



dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

13. To support the 'Green Initiative', Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
14. The final dividend once approved by the shareholders in the ensuing AGM will be paid through Electronic Clearing Service or any other means to those shareholders who have updated their Bank Account details. For shareholders who have not updated their bank account details dividend warrants / demand draft / cheques will be sent to their registered addresses. Shareholders are requested to update their KYC with their depositories (for shares held in Dematerialized form) and with the Company's RTA -MUFG (for shares held in Physical form) to receive the dividend into their account.
15. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to MUFG, Registrar and Share Transfer Agent of the Company or by sending a

request on e-mail at [cs@chembond.in](mailto:cs@chembond.in) or contact MUFG at [csg-unit@in.mpms.mufig.com](mailto:csg-unit@in.mpms.mufig.com). In case, the Company is unable to pay the dividend to any shareholder by electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant to such shareholder by post.

16. The Income Tax Act, 1961 ('the IT Act') as amended by the Finance Act, 2020 mandated that dividend paid or distributed by a Company on or after April 1, 2020 shall be taxable in the hands of the Members and the Company is required to deduct Tax at source ('TDS') from dividend paid to the Members at the prescribed rates at the time of making the final dividend. To enable compliance with TDS requirements, Members are requested to provide documents in accordance with the provisions of the IT Act. Members are also requested to complete and / or update Residential Status, PAN, category as per the IT act, with the Company / Registrar by sending documents through e-mail at [cs@chembond.in](mailto:cs@chembond.in) by Thursday, July 31, 2025.

The rate of TDS will vary depending on the residential status of the Shareholder and documents registered with the Company.

#### 1. IN CASE OF A RESIDENT SHAREHOLDER:

TDS rate	Category of shareholder	Exemption category / required documentation
10 per cent*	Resident shareholder (with valid PAN)	Update the PAN if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – MUFG Intime India Private Limited (formerly Link Intime India Private Limited) (in case of shares held in physical mode).
20 per cent*	Resident shareholder (without / invalid PAN/ inoperative PAN)	
Lower/Nil rate	Resident shareholder who has obtained a certificate from the income-tax authorities under Section 197 of the Act for TDS at a lower / Nil rate.	Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for the FY 2025-26.
Nil	Resident individual submitting Form 15G/15H	Declaration in Form 15G (applicable to an individual who is less than 60 years of age)/Form 15H (applicable to an Individual who is 60 years and older), fulfilling certain conditions.
Nil	Insurance Company: Public & Other Insurance Companies	Documentary evidence that the provisions of Section 194 of the Act are not applicable.
Nil	Person Covered under Section 196 of the Act (e.g. Mutual Funds, Business Trust, Alternative Investment fund, Govt. etc.)	Documentary evidence that the person is covered under said Section 196 of the Act.



**Note:**

1. Recording of the PAN for the registered Folio/DP id-Client id is mandatory. In absence of PAN, tax will be deducted at a higher rate of 20%, as per higher rates as prescribed under the Act.

- a. The aggregate of TDS and TCS in whose case is ₹50,000/- or more in that previous year.

Non-resident shareholders who do not have a permanent establishment in India are excluded from the scope of a 'Specified Person'.

TDS on dividend falls within the purview of proposed Section of the IT Act. Therefore, we request you to please give a written declaration along with copies of ITR acknowledgements of previous two assessment year for our records. If the said declaration along with ITR acknowledgements are not received before **July 31, 2025**, then TDS will be deducted at higher of the following rates:

- i) twice the rate specified in the relevant provision of the Act; or
- ii) twice the rate in force; or
- iii) the rate of 5%

Further, confirmation w.r.t. the linking of Aadhar with PAN in compliance with Section 139AA of the IT Act is to be provided (Applicable only for individual shareholders).

**2. IN CASE OF A NON-RESIDENT SHAREHOLDER:**

TDS rate	Category of shareholder	Exemption category / required documentation
20 per cent (plus applicable surcharge and cess)	All non-resident shareholders, including Foreign Portfolio Investors ('FPIs/FILs')	Subject to the non-resident shareholder providing the below-mentioned documents, the Company will deduct tax at the rate prescribed in the tax treaty, wherever applicable: <ul style="list-style-type: none"> <li>- Copy of Indian Tax Identification number (PAN), if available</li> <li>- Self-attested copy of Tax Residency Certificate (TRC) applicable for the FY 2025-26 obtained from the tax authorities of the country of which the shareholder is resident</li> <li>- Self-declaration in Form 10F if PAN is not available</li> <li>- Self-declaration for no permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead]</li> </ul>
Lower rate prescribed under the tax treaty	Non - resident shareholder who has opted to be governed by the provisions of the tax treaty between India and the country of tax residence of the shareholder.	TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Act.
Lower / Nil rate	Non-resident shareholder who has obtained a certificate from the income-tax authorities under Section 197/195 of the Act.	Lower / Nil rate of TDS, subject to furnishing a self-attested copy of the certificate. The certificate should be valid for the FY 2025-26.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and document submitted by Non-Resident shareholder. Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details and documents as mentioned above before July 31, 2025 at [cs@chembond.in](mailto:cs@chembond.in) in order to enable the

Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post the given date. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

We shall arrange to e-mail the soft copy of TDS certificate to you at your registered e-mail id in due course. Also, the TDS so deducted shall be reflected in Form 26AS against respective PAN, post payment of the said Dividend.

17. The Company vide its separate e-mail communication dated July 11, 2025 had informed the Members regarding the change in the IT Act as well as the relevant procedure to be adopted by the Members to avail the applicable tax rate. The detailed process is also available on the website of the Company at [www.chembond.in](http://www.chembond.in).
18. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or the Company's RTA in this regard.
19. SEBI vide its notification dated April 20, 2018, has mandated the submission of PAN and /or Bank Account details for updation of the same against their folio number. Members holding shares in electronic form are, therefore, requested to submit the PAN / Bank account details to their DPs with whom they are maintaining their demat accounts. The Company has sent reminder, through its RTA, to the Members whose details are incomplete. Members are requested to complete their KYC at the earliest.
20. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by

submitting Form No. SH-13. The said form can be downloaded from the Company's website <https://chembond.in/unclaimed-dividend/>. If a Member who desires to cancel the earlier nomination and record a fresh nomination, may submit the same in Form No. SH-14. Members holding shares in physical form are requested to obtain the nomination forms from the Company's RTA. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA in case the shares are held in physical form, quoting your folio no.

21. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RTA, the details of such folios together with the original share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
22. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, August 4, 2025 through e-mail on [cs@chembond.in](mailto:cs@chembond.in). The same will be replied by the Company suitably.
23. The instructions for remote e-voting are given as follows:

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

1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations (as amended), and the Circulars issued by MCA, your Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

The remote e-voting period begins on August 11, 2025 at 09:00 A.M. and ends on August 13, 2025 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 7, 2025 may cast their vote electronically.

The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 7, 2025.

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

#### **How do I vote electronically using NSDL e-voting system?**





*The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:*

#### **Step 1: Access to NSDL e-voting system**

##### **A) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under “<b>IDeAS</b>” section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on “<b>Access to e-voting</b>” under e-Voting services and you will be able to see e-voting page. Click on company name or <b>e-voting service provider i.e. NSDL</b> and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “<b>Login</b>” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or <b>e-voting service provider i.e. NSDL</b> and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <p> </p> <div style="display: flex; justify-content: space-around;">   </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered mobile &amp; e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

#### How to Log-in to NSDL e-voting website?

- Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
- Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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

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

c) How to retrieve your 'initial password'?

- (i) If your e-mail id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail id. Trace the email sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your e-mail id is not registered, please follow steps mentioned below in process for those shareholders whose e-mail ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of **Chembond Chemicals Limited** to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [bhattvirendra1945@yahoo.co.in](mailto:bhattvirendra1945@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon



five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on: **022 - 4886 7000** and **022 - 2499 7000** or send a request to Mr. Sanjeev Yadav, Assistant Manager-NSDL at [sanjeevy@nsdl.co.in](mailto:sanjeevy@nsdl.co.in) or at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@chembond.in](mailto:cs@chembond.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@chembond.in](mailto:cs@chembond.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail id correctly in their demat account in order to access e-voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.



5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@chembond.in](mailto:cs@chembond.in). The same will be replied by the company suitably.
6. Registration of Speaker –
  - a. Shareholders who would like to speak during the meeting must register their request on or before Thursday, August 7, 2025, mentioning their name, demat account number/folio number, e-mail id, mobile number at [cs@chembond.in](mailto:cs@chembond.in).
  - b. Shareholders will get confirmation on first-cum-first served basis depending upon the provision made by the client.
  - c. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
  - d. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
  - e. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.
  - f. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
  - g. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
  - h. The Members who do not wish to speak during the AGM but have queries may send their queries in advance at least 10 days prior to meeting, mentioning their name, demat account number/folio number, e-mail id, mobile number at [cs@chembond.in](mailto:cs@chembond.in). These queries will be replied to by the Company suitably by e-mail.
  - i. Members are encouraged to join the Meeting through laptops / tablets for better experience.
  - j. Further, Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.

**OTHER INFORMATION:**

- i. Attending the e-AGM: Members will be able to attend the AGM through VC/OAVM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
- ii. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
- iii. Submission of Questions / queries prior to e-AGM: Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company’s email-id [cs@chembond.in](mailto:cs@chembond.in) at least 10 days before the date of the 50<sup>th</sup> AGM, so as to enable the Management to keep the information ready. Please note that, member’s questions will be answered only if they continue to hold the shares as of cut-off date.
- iv. Members who need technical assistance before or during the AGM, can contact NSDL. Corporate members intending to send their authorized representatives to attend the AGM through VC / OAVM pursuant to the provisions of Section 113 of the Act are requested to send a certified copy of the relevant Board Resolution to the Company.
- v. The Company has appointed Mr. Virendra Bhatt, (Membership no. ACS-1157, CP no. 124) and in his absence Ms. Indumati Zaveri (Membership no. 2209, CP no. 7245), as the Scrutinizer to scrutinize the remote e-voting as well as the votes cast at the time of AGM in a fair and transparent manner.
- vi. The Scrutinizer shall, immediately after the conclusion of AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses, who are not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer’s Report of the total votes cast in favour of or against, if any, within the prescribed time limit after the conclusion of the AGM to the Chairman or the Company Secretary or a person authorised by the Chairman, who shall declare the result of the voting forthwith.

- vii. The resolution(s) will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolution(s). The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company at [www.chembond.in](http://www.chembond.in) and Service Provider's website at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) the communication will be sent to the BSE Limited and National Stock Exchange of India Limited.

**STATEMENT ANNEXED TO THE NOTICE SETTING OUT THE MATERIAL FACTS CONCERNING EACH ITEM OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARD ON GENERAL MEETINGS**

**ITEM NO. 4**

The members of the Company at its 43<sup>rd</sup> AGM held on August 11, 2018, appointed M/s. S H B A & CO LLP, Chartered Accountants, (formerly known as Bathiya & Associates LLP) Firm Registration No. 101046W/W100063 Mumbai as the Statutory Auditors of the Company for a period of five (5) years to hold office from the conclusion of the 43<sup>rd</sup> AGM till the conclusion of the 48<sup>th</sup> AGM of the Company. Further at the 48<sup>th</sup> AGM held on August 19, 2023, M/s. S H B A & CO LLP, Chartered Accountants were re-appointed for a period of 5 years i.e. from the conclusion of the 48<sup>th</sup> AGM till the conclusion of the 53<sup>rd</sup> AGM of the Company to be held in the year 2028.

M/s. S H B A & CO LLP, Chartered Accountants, vide their letter dated May 27, 2025 expressed their intent to resign from the position of Statutory Auditors of the Company at the forthcoming AGM, following the completion of the statutory audit for the financial year ended March 31, 2025 and the limited review for the quarter ending June 30, 2025 in view of the restructuring in the Company pursuant to Composite Scheme of Arrangement and their continuation as Statutory Auditors of the resulting company viz. Chembond Chemical Specialties Limited.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends passing of the Special Resolution as set out at Item No. 4 of the accompanying Notice for approval by the Members.

**ITEM NO. 5**

The Board of Directors at its meeting held on May 30, 2025, as per the recommendation of the Audit Committee and pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, recommended the appointment of M/s. Kastury & Talati, Chartered Accountants, (Firm Registration No. 104908W), as Statutory Auditors of the Company to hold office for a term of five (5) years, from the conclusion of the 50<sup>th</sup> AGM to be held in 2025 till the conclusion of the 55<sup>th</sup> AGM of the Company to be held in the year 2030. The Company has received consent letter and eligibility certificate from M/s. Kastury & Talati, Chartered Accountants, to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits as prescribed under Section 144 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and relevant circular. Further the auditors have confirmed as per Section 141(3)(g) of the Act that they are not disqualified to be appointed as Statutory Auditor in terms of the provisions of Sections 139(1), 141(2) and 141(3) of the Act and the rules framed thereunder.

Pursuant to Regulation 36 of the Listing Regulations the following details are mentioned below for the information of Members:

Proposed Audit fee payable to auditors	The fees proposed to be paid to M/s. Kastury and Talati towards Statutory Audit and Limited Review / Auditors Report for FY 2025-26 shall be ₹15,00,000/- (Rupees Fifteen Lakhs) (excluding applicable taxes and reimbursements) with authority to Board to make changes as it may deem fit for the balance term subject to not exceeding an amount of ₹22,00,000/- (Rupees Twenty Two Lakhs) (excluding applicable taxes and reimbursements).
Terms of appointment	M/s. Kasury & Talati are appointment as Statutory Auditor for a term of five (5) years w.e.f. the 50 <sup>th</sup> AGM to be held in 2025 till the 55 <sup>th</sup> AGM to be held in 2030, subject to approval of shareholders.
Material Change in fee payable along with rational for such change	There is no material change in fee payable

Basis of recommendation and auditor credentials	<p>The Audit Committee and the Board of Directors based on the credentials of the firm and partners, asset size of the Company and eligibility criteria prescribed under the Act recommends the appointment of M/s. Kastury and Talati, Chartered Accountants as the Statutory Auditors of the Company.</p> <p><b>Profile :</b> M/s. Kastury and Talati is a Peer Reviewed Mumbai-based firm of Chartered Accountants providing integrated advisory and compliance services in the areas of audit &amp; assurance, accounting, company law, income-tax, international tax, transfer pricing, U.S. Tax Returns, GST, TDS, SFT filings, advisory on mergers, demergers and acquisitions, due diligence, tax related issues on cross border transactions, CSR Advisory, etc. The firm combines technical expertise with practical business insight to deliver innovative and customized solutions tailored to each client's needs with a commitment to excellence and integrity.</p>
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None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends passing an Ordinary Resolution as set out in the Item No. 5 of the accompanying Notice for approval by the Members.

#### ITEM NO. 6

Pursuant to the recent amendment to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), which came into effect from April 1, 2025, a Company is required to appoint a peer reviewed secretarial auditor (if individual – not exceeding one term of five consecutive years and if a firm - not exceeding two terms of five consecutive years), with the approval of the shareholders in the ensuing General Meeting.

The Board of Directors at its meeting held on May 30, 2025, based on the recommendation of the Audit Committee, approved the appointment of Virendra G. Bhatt, Practicing Company Secretary (ACS – 1157 / CP – 124), as the Secretarial Auditor of the Company for a term of five (5) consecutive years commencing from the financial year 2025-26 to 2029-30.

Proposed Audit fee payable to auditors	The fees proposed to be paid to Mr. Virendra G. Bhatt towards Secretarial Audit (excluding applicable taxes and reimbursements) for FY 2025-26 shall be maximum of ₹2,00,000/- (Rupees Two lakhs only) (excluding applicable taxes and reimbursements) with authority to Board to make changes as it may deem fit for the balance term subject to not exceeding an amount of ₹3,00,000/- (Rupees Three Lakhs only) (excluding applicable taxes and reimbursements).
Terms of appointment	Mr. Virendra G. Bhatt is appointment as Secretarial Auditor for a term of 5 years w.e.f. FY 2025-26 till FY 2029-30, for Secretarial Audit and other Secretarial compliances subject to approval of shareholders.
Material Change in fee payable along with rational for such change	There is no material change in fee payable
Basis of recommendation and auditor credentials	<p>The Audit Committee and the Board of Directors based on the credentials of Mr. Bhatt, his past audit experience, capability to handle a diverse and complex business environment and its technical expertise and eligibility criteria prescribed under the Act recommended the appointment of Mr. Virendra G. Bhatt, Practicing Company Secretary as the Secretarial Auditor of the Company.</p> <p><b>Profile :</b> Virendra Bhatt, Practicing Company Secretary (ACS – 1157 / CP – 124) holds a valid Peer Review Certificate issued by the Institute of Company Secretaries of India. Mr. Bhatt, has been practicing as a Whole-Time Secretary for over four decades. He served as Secretary cum Financial Manager at Flexicons Limited for more than eighteen years and has been providing services of Secretarial Audit and other Secretarial related works to the Top 200, Top 500 and Top 1000 Listed Companies, other Listed / Public Limited Companies and Private Limited Companies working in the field of Manufacturing, Textile, Pharmaceuticals, Retail Sector, Non-Banking Finance Services, Banks, Hospitality, Mining, Stock broking &amp; Allied, Marbles etc.. Mr. Bhatt is the oldest Practicing Company Secretary in the country.</p>

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends passing an Ordinary Resolution as set out in the Item No. 6 of the accompanying Notice for approval by the Members.

#### ITEM NO. 7

The Board of Directors, on the recommendation of the Audit Committee at its meeting held on May 30, 2025, approved the appointment of M/s. Aatish & Associates, Cost & Management Accountants, (FRN.: 006726/ Membership no. 30105), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2026. The Board at its meeting held on May 30, 2025 has approved their appointment for the FY ending March 31, 2026 at a remuneration of ₹1,21,000/- (Rupees One Lakh Twenty One only) plus Goods and Service Tax and reimbursement of out of pocket expenses at actual. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, consent of the Members is sought by passing an Ordinary Resolution, as set out at Item No. 7 of the Notice, for the remuneration payable to the Cost Auditors for the financial year ending March 31, 2026.

In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration approved by the Board is subject to subsequent ratification by Members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends passing of the Ordinary Resolution as set out in the Item No. 7 of the accompanying Notice for approval by the Members.

#### ITEM NO. 8, 9 & 10

On the recommendation of Nomination and Remuneration Committee and the Board of Directors at their meeting held on May 30, 2025 considered and approved appointment of Mr. Jaywant Tawade (DIN: 08231696) as an Additional (Executive) Director of the Company w.e.f. May 31, 2025 for a period of three (3) years, subject to the approval of Members of the Company.

Mr. Jaywant Tawade has attained the age of seventy five years and his appointment will be subject to approval of the shareholders by special resolution. Considering his qualifications, experience and expertise, the Board of Directors thought it would be prudent and in the interest

of the Company to avail his expertise and thereby appoint him as Executive Director of the Company. Hence the approval of the shareholders is sought for appointment of Mr. Jaywant Tawade as the Executive Director for a period of three (3) years w.e.f. May 31, 2025 till May 30, 2028 on the terms and conditions and remuneration as provided herein.

The Company has received a notice in writing from a Member of the Company proposing candidate of Mr. Tawade for the office of the Director of the Company under Section 160 of the Act and also his consent to act as a Director in terms of Section 152 of the Act. and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Members of the Company had accorded their approval for re-appointment of Mr. Sameer V. Shah as the Chairman and Managing Director of the Company for a period of three (3) years with effect from August 1, 2022 till July 31, 2025 and the remuneration payable to him, by passing a Special Resolution at its 47<sup>th</sup> Annual General Meeting held on August 5, 2022. The tenure of Mr. Sameer V. Shah as the Chairman and Managing Director ends on July 31, 2025. The Board of Directors, on the basis of recommendation of Nomination and Remuneration Committee, after careful consideration and deliberation on his qualification, experience, expertise and responsibilities shouldered by him and volume of Company's business and profits and the practice prevailing in the Industry, thought it prudent and in the best interest of the Company that Mr. Sameer V. Shah be re-appointed as Chairman and Managing Director of the Company for a tenure of 3 (three) years with effect from August 1, 2025 till July 31, 2028, on the terms and conditions and remuneration as detailed hereinbelow, subject to approval of its Members by a Special Resolution.

Details of Mr. Jaywant Tawade and Mr. Sameer V. Shah pursuant to the provisions of (i) Listing Regulations; and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, are provided in this Report.

A copy of the agreement containing the terms and conditions of appointment of Mr. Jaywant Tawade and Mr. Sameer V. Shah is available for inspection without any fee by the Members at the Registered Office of the Company between 10.00 am and 1.00 pm (except Saturdays, Sundays and holidays) till the date of AGM.



Sr. no.	Particulars	Mr. Jaywant Tawade	Mr. Sameer V. Shah
1.	Term of Appointment:	w.e.f. May 31, 2025 to May 30, 2028	w.e.f. August 1, 2025 to July 31, 2028.
2.	Basic Salary including Perquisites and allowances	Salary Basic + DA including perquisites and allowances upto a maximum of ₹1,00,00,000/- (Rupees One Crore only) per annum with increments as may be decided by the Board of Directors from time to time.	Salary Basic + DA including perquisites and allowances upto a maximum of ₹2,50,00,000/- (Rupees Two Crore and Fifty Lakhs only) per annum with increments as may be decided by the Board of Directors from time to time.
		In addition to the salary, Mr. Tawade and Mr. Shah shall also be entitled to the perquisites and allowances like house rent allowance, rent free furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of company car for official purposes, telephone at residence, contribution to provident fund, superannuation fund, payment of gratuity, leave encashment at the end of tenure and such other perquisites and allowances in accordance with the rules of the Company. The nature and break-up of the perquisites and allowances will be determined in accordance with the schemes/policies/ rules of the Company or may be decided by the Chairman of the Company or by the Board of Directors from time to time.	
3.	Incentive / Performance Bonus	In addition to the salary, perquisites and allowances payable, an incentive / performance bonus / commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Act (including any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard), shall also be payable which shall not exceed ₹75,00,000/- (Rupees Seventy Five Lakhs only) for each financial year.	In addition to the salary, perquisites and allowances payable, a Incentive / Performance Bonus, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Act (including any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard) shall also be payable which shall not exceed ₹1,50,00,000/- (Rupees One Crore Fifty Lakhs) only for each financial year.
4.	Annual Increment	The Board will decide the Annual increment based on merit which shall be within the limits as approved.	
5.	Monthly CTC including Perquisites and allowances	Upto a maximum of ₹ 8,33,333/- (Rupees Eight Lakhs Thirty Three Thousand Three Hundred and Thirty Three Only)	Upto a maximum of ₹20,83,333/- (Rupees Twenty Lakhs Eighty Three Thousand Three Hundred and Thirty Three Only)

6.	Minimum Remuneration	Where in any financial year during the currency of tenure of service of Managing Director(s) / Executive Director, the Company has no profits or its profits are inadequate the appointee shall be paid the aforesaid remuneration as “Minimum Remuneration” in the respective financial year(s) notwithstanding that the same may exceed the ceiling limit laid down under Section 197 / 198 and Schedule V of the Act, subject to approval of any statutory authority, if required. However, in any event it shall not exceed the remuneration payable as provided in the Agreement when the profits of the Company are adequate.	
7.	Other Terms and conditions		
	Sitting fees	No sitting fees will be paid for attending the meetings of the Board of Directors or Committee thereof.	
	Retirement by Rotation	Mr. Jaywant Tawade shall be liable to retire by rotation whilst he continues to hold office of Executive Director.	Mr. Sameer V. Shah shall not be liable to retire by rotation whilst he continues to hold office of Chairman and Managing Director.
	Reimbursement of Expenses	Shall be entitled to the reimbursement of expenses actually and properly incurred by them, in the course of legitimate business of the Company and travelling in India or abroad, hotel and other expenses incurred by them in India and abroad, exclusively for the business of the Company.	
	Leave	As per Company Rules.	
	Termination Clause	The Agreement may be terminated by either party by giving three months’ notice from either side or as may be mutually agreed.	
		The terms and conditions of the said appointment and/or agreement may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and if deemed fit, within the limits prescribed in Schedule V to the Act or any subsequent amendments or modifications made thereto.	
	Overall remuneration	The aggregate of salary, perquisites, allowances and commission in any one financial year, as may be decided by the Board of Directors, i.e. total remuneration may exceed limit specified under Section 197 read with Schedule V of the Act or such higher percentage of net profits of the Company as may be prescribed from time to time (including any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard subject to necessary approvals as prescribed under Section 197 of the Act, Schedule V and Rules made thereunder and any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard shall be eligible for remuneration decided by the Board of Directors.	



The information as required under Part II Section II (A)(iv) of Schedule V of the Act is given below:

I. General Information					
Sr. no.	Particulars	Information			
1	Nature of Industry	The Company is in the business of Speciality Chemicals.			
2	Date or expected date of commencement of commercial production.	The Company is an existing Company and carrying out business for 50 years.			
3	In case of a new company, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus	Not Applicable			
4	Financial Performance (Standalone) based on given indicators	(₹in lakhs)			
		Share Capital	31-03-23	31-03-24	31-03-25
		Equity	672.41	672.41	672.41
		Reserves&Surplus	5,086.45	15,334.04	17120.70
		Total Income	6,423.68	16,739.12	17,840.68
		Profit Before Tax	883.23	1,942.87	1,919.05
		Profit After Tax	723.81	1,382.45	1,722.36
5	Foreign Investments or Collaborations, if any.	NA			
II Information about the appointees					
1.	Background details	Mr. Jaywant Tawade	Mr. Sameer Shah		
	Brief Profile	Mr. Tawade is highly experienced in areas of manufacturing, projects – from design to execution to commissioning, operational excellence, strategy, TPM, which he has developed over his career spanning 45 years including as head of manufacturing plants at Tata Motors Ltd. He currently serves as Executive Director of Chembond Biosciences Limited (Subsidiary). Mr. Tawade is a Mechanical engineering graduate from the College of Engineering, Pune and also holds a PGDBM (Pune University).	Mr. Shah is the Chairman and Managing Director of the Company, a position he has held since August 1, 2006. Mr. Sameer V. Shah joined Chembond in 1992 after receiving his education in chemical engineering and finance from the University of Texas State University and working over 6 years in America. Mr. Shah hails from promoter family and has held various managerial positions in the Company and its joint ventures & subsidiaries.		

2.	Past Remuneration	NA	Particulars	22-23	23-24	24-25
			Basic Salary	37.20	41.52	45.72
			Perquisites	49.62	59.73	65.65
			Total	86.82	101.25	111.37
			Incentive	24.77	27.25	27.25
3.	Recognition or Awards	Nil				
4.	Job Profile and Suitability	Mr. Tawade is highly experienced in areas of manufacturing, projects – from design to execution to commissioning, operational excellence, strategy, TPM, which he has developed over his career spanning 45 years including as head of manufacturing plants at Tata Motors Ltd.	Mr. Sameer V. Shah has held various managerial positions in the Company and having rich business experience and exposure to managing diverse businesses.			
5.	Comparative Remuneration Profile with respect to industry, size of Company, profile and position of the person.	Considering the experience and knowledge Mr. Tawade is entitled to a higher remuneration in the similar nature of industry than recommended by the Board at present.	Considering the experience and knowledge of Mr. Sameer V. Shah is entitled to a higher remuneration in the similar nature of industry than recommended by the Board at present.			
6.	Pecuniary relationship directly or indirectly with the Company or relation with Managerial Personnel, if any.	Except proposed remuneration as stated above, he does not have any other pecuniary relationship with the Company.	Mr. Sameer V. Shah is promoter of the Company and directly holds 17,00,144 equity shares of the Company. Except proposed remuneration as stated above, he does not have any other pecuniary relationship with the Company.			
III. Other Information						
1.	Reasons of loss or inadequate profit	The Company has registered profit during the year. It is on lower side as compared to previous year on account of increase in prices of raw materials and other operational costs thereby affecting gross margin.				
2.	Steps taken or proposed to be taken for improvement	With a positive industry outlook, the Company plans to strengthen its sales, procurement and R & D functions which will facilitate new product development and enhance its operational efficiencies.				
3.	Expected Increase in productivity and profits in measurement terms	Considering the market conditions prevailing globally and efforts made the management to develop new products and customers, the Company in measurement terms has conservatively set the following targets in terms of sales and profitability. (₹In Lakhs)				
		Particulars	31-03-26	31-03-27	31-03-28	
		Gross Receipts	19,000	21,000	23,000	
		PBT	2,150	2,383	2,655	
		PAT	1,698	1,882	2,098	

<b>IV. Disclosures</b>			
1.	Remuneration package of the appointee	Details of total remuneration comprising of Salary, Perquisites and other information which is proposed to be paid to Mr. Jaywant Tawade and Mr. Sameer V. Shah for the period of their appointment is set out above.	
2.	Details of fixed component and performance linked incentive alongwith the performance criteria.	Disclosure on all elements of remuneration package of all the Directors of the Company is given in Corporate Governance Section.	
3.	Service Contract, Notice Period, Severance Fees	Period of 3 years w.e.f. May 31, 2025 till May 30, 2028. Notice Period – 3 months notice or as may be mutually agreed No Severance fees	Period of 3 years w.e.f. August 1, 2025 till July 31, 2028. Notice Period – 3 months notice or as may be mutually agreed. No Severance fees
4.	Stock Options details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	NA	

The above Explanatory Statement shall be construed as an abstract of the terms of the appointment / reappointment / variations, together with a Memorandum of interest or concern of the interested Directors, as prescribed under Section 190 of the Act. Except, Mr. Jaywant Tawade and Mr. Sameer V. Shah, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in anyway, concerned or interested, financially or otherwise, in the Resolution.

Brief resume and additional details of Mr. Jaywant Tawade and Mr. Sameer V. Shah, required under Regulation 36 of the SEBI Listing Regulations and SS-2, issued by the Institute of Company Secretaries of India, are part of this Notice.

The Board recommends passing of the special resolution as set out at Item No. 8,9 & 10 of the accompanying Notice for approval of Members.

#### **ITEM Nos . 11 & 12**

Pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Board of Directors has proposed the introduction and adoption of an Employee Stock Option Scheme titled “CHEMBOND Employee Stock Option Scheme 2025” (hereinafter referred to as the “CHEMBOND ESOP 2025”). The Company recognizes the importance of rewarding and retaining talented employees who contribute significantly to its growth and success.

Share based benefits are recognized as an effective way to attract, incentivize, retain key talents as well as motivate the employees to contribute in the Company’s growth and profitability and to recognize and reward the

efforts of the Employees in the progress of the Company by aligning their interest with the long term interests of the Company resulting in long term shareholder’s value creation.

The requisite disclosures as required under Regulation 6(2) and any other applicable provisions of the Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021 (“SBEB Regulations”), are set out below:

#### **a) Brief description of the Scheme**

The objective of CHEMBOND ESOP 2025 is to attract, retain, reward and create a sense of ownership and participation amongst the eligible employees of the Company and the subsidiary and associate companies and to drive high standard of

individual performance and consequently enhance the financial performance of the Company. This also provides an opportunity to employees to participate in the growth of the Company, besides creating long term wealth in their hands.

Under the CHEMBOND ESOP 2025, the NRC (also designated as the Compensation Committee) shall grant Employee Stock Options ('Stock Options') to such Eligible Employees of the Company and its subsidiary(ies) and associate company(ies), who satisfy the eligibility criteria as determined by the NRC as per the terms and conditions of the CHEMBOND ESOP 2025. The number of Stock Options to be granted to each Eligible Employee shall be determined by the NRC from time to time as per the terms of the CHEMBOND ESOP 2025.

The CHEMBOND ESOP 2025 has been drawn in accordance with the SBEB Regulations issued by SEBI and other applicable laws and reviewed and recommended by the Nomination and Remuneration Committee and the Board of Directors ("Board") at their respective meetings held on May 30, 2025.

The Scheme will be implemented, operated and administered under the superintendence of the Company's Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors.

**b) Total number of Options to be offered and granted**

The total number of Options to be offered and granted under the CHEMBOND ESOP 2025 shall not exceed 4,00,000 (Four Lakh) to the Eligible Employees of the Company and its subsidiary and associate companies, which on exercise would entitle not more than 4,00,000 (Four Lakh) fully paid equity shares constituting approximately 3% of the issued equity share capital as on March 31, 2025. The ESOP Pool may be adjusted for any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares, buyback of shares, change in capital structure, scheme of arrangement etc., in terms of the CHEMBOND ESOP 2025 and in accordance with the SBEB Regulations.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, shall be brought back to the CHEMBOND ESOP 2025 and shall become available for future grants, subject to compliance with the provisions of the applicable laws.

**c) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme**

The NRC will determine the Eligible Employees of the Company and its subsidiary and associate companies who can be granted Stock Options under the CHEMBOND ESOP 2025 after examining and evaluating overall group performance /individual performance, inter alia, taking into consideration the length of service, grade, performance, merit, key position, future potential contribution, terms of the employment contract, conduct of the employee and such other factors as may be deemed appropriate by it.

The following persons shall not be eligible to participate in CHEMBOND ESOP 2025:

- a Promoter or a person belonging to the Promoter group;
- a Director, who either by himself or through his relative or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of the Company;
- an Independent Director of the Company or its subsidiary and associate companies

**d) Requirements of vesting and period of vesting**

The NRC shall determine the Vesting Period for the Options, provided that the Options granted to Employees pursuant to the CHEMBOND ESOP 2025 shall vest within a maximum period of 5 (five) years from the Grant Date and there shall be a gap of minimum period of 1 (one) year between the Grant Date and Vesting of these Options.

The Vesting would be subject to the continued employment of the Option Grantee and may further be linked with certain performance and other criteria's as determined by the NRC and mentioned in the Grant Letter.

**e) Maximum period within which the Option shall be vested**

The maximum vesting period of Stock Options shall be five years from the date of grant. The Stock Options shall lapse if not exercised within the Exercise Period.

**f) Exercise price or pricing formula**

The exercise price of the Stock Options will be decided by the NRC on the basis of relevant factors prevalent at the time of the Grant which, among

other things, would include the trend in the Market Price of the Company's Equity Shares quoted on Stock Exchange.

The Committee has a power to provide suitable discount, as deems fit, subject to a maximum limit of 30% on market price. However, generally there will be no discount offered and the Exercise Price shall not be lower than the face value of the equity Shares of the Company on the date of such grant.

**g) Exercise period and the process of Exercise**

Vested Stock Options can be exercised in one or more tranches within the exercise period prescribed by the NRC which shall not exceed five years from the date of grant. The Company intends to ensure that the Exercise Period should provide a flexibility to an Option Grantee to exercise the Stock Option in a manner that enables him/her to effectively discharge the tax obligations but at the same time it doesn't create any financial burden on the Option Grantee.

Vested Stock Options shall be exercisable by the Option Grantee by submission of a written application to the Company or in such manner as may be determined by the NRC and in compliance of other requisite conditions of payment of applicable taxes and exercise price. Stock Options shall lapse if not exercised within the Exercise Period and will be added back to the ESOP Pool. The Stock Options may also lapse under certain circumstances like termination of employee under misconduct, resignation, etc., even before the expiry of the specified exercise period.

**h) Appraisal process for determining the eligibility of employees for CHEMBOND ESOP 2025**

The NRC may, on the basis of all or any of the following criteria, decide on the Employees who are eligible for the Grant of Options under the Scheme, the number of Options to be Granted and the terms and conditions thereof:

- Longevity of Service.
- Performance of Employee.
- Performance of Company.
- Any other criteria as decided by the NRC.

**i) Maximum number of Stock Options to be issued for employee in aggregate**

The maximum number of Stock Options that may be

granted per Eligible Employee under CHEMBOND ESOP 2025, in any financial year and in aggregate, shall not exceed 30,000 Options.

The maximum number of Stock Options that can be granted in aggregate is 4,00,000 (Four Lakhs) under CHEMBOND ESOP 2025.

**j) Maximum quantum of benefits to be provided per employee under CHEMBOND ESOP 2025**

The maximum quantum of benefits to be granted to an Eligible Employee under the CHEMBOND ESOP 2025, will be the difference between the fair value of equity shares as on the date of exercise and exercise price paid by the Option Grantee, subject to applicable taxes.

**k) Whether CHEMBOND ESOP 2025 is to be implemented and administered directly by the Company or through a Trust**

CHEMBOND ESOP 2025 will be implemented and administered directly by the Company through NRC.

**l) Whether the scheme(s) involves new issue of shares by the Company or secondary acquisition by the trust or both**

CHEMBOND ESOP 2025 involves only new issue of Equity Shares by the Company.

**m) Amount of loan to be provided for implementation of the Scheme(s) by the Company to the Trust, its tenure, utilization, repayment terms, etc.**

Not applicable, as CHEMBOND ESOP 2025 is not being implemented through a Trust.

**n) Maximum percentage of secondary acquisition that can be made by the Trust for the purposes of CHEMBOND ESOP 2025**

Not applicable, as CHEMBOND ESOP 2025 is not being implemented through a Trust.

**o) Compliance with Accounting policies**

In compliance with Regulation 15 of the SBEB Regulations, the Company shall comply with the applicable disclosure requirements, accounting policies and accounting standards as issued by the competent/relevant authorities from time to time.

**p) Method which the Company shall use to value its options**

The Company shall value the Stock Options granted under the CHEMBOND ESOP 2025 at their 'fair value' or such other method in accordance with the SBEB Regulations.



- q) If the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share ('EPS') of the Company shall also be disclosed in the Directors' Report**

Not applicable as the Company shall value the Stock Options granted under the CHEMBOND ESOP 2025 at their fair value or such other method in accordance with the SBEB Regulations.

- r) Period of lock-in**

The NRC shall decide the lock-in period for different class of employees at the time of grant of options.

- s) Terms and conditions for buyback, if any,**

Not applicable at this stage. The Committee shall determine the procedure for buy-back of Options granted under the CHEMBOND ESOP 2025 if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

Approval of Members by way of Special Resolutions is being sought pursuant to the provisions of Regulation 6(1) of the SBEB Regulations and Section 62(1)(b) of the Act and the rules made thereunder, for adoption and implementation of CHEMBOND ESOP 2025 and the creation, offer, grant, issuance and allotment of Equity Shares to Eligible Employees of the Company under CHEMBOND ESOP 2025. Accordingly, Special Resolution as set out at Item No. 11 of this Notice is proposed for approval by the Members.

A copy of draft CHEMBOND ESOP 2025 is available for inspection at the Company's registered office / corporate office during official hours on all working days till the last date of the e-voting and also available on the website of the Company [www.chembond.in](http://www.chembond.in).

As per Regulation 6(3)(c) of the SBEB Regulations, a separate Special Resolution is required to be passed if the Scheme benefits are to be extended to employees of subsidiary companies. Accordingly, Special Resolution as set out at Item No. 12 of this Notice is proposed for approval by the Members.

None of the Directors/Key Managerial Personnel or their relatives are interested in or concerned, financially or otherwise in the above Resolutions as set out in Item Nos. 11 and 12 of this Notice, except to the extent of grant of Stock Options to them under the CHEMBOND ESOP 2025.

### **ITEM NO: 13**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors by passing Circular Resolution dated July 14, 2025, approved the appointment of Mr. Kamal Tandon (DIN: 09664746) as an Additional Director, designated as an Independent Director (Non-executive) of the Company, with effect from July 16, 2025 in accordance with the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company to hold office for a period of five (5) consecutive years i.e. from July 16, 2025, till July 15, 2030, not liable to retire by rotation, subject to the approval of the Shareholders of the Company through Special Resolution.

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

The Company has received a notice in writing from a Member under Section 160(1) of the Act proposing the candidature of Mr. Kamal Tandon for the office of Independent Director of the Company. The Company has also received all statutory declarations/disclosures as specified under the Act, read with Rules thereunder and as per the Listing Regulations from Mr. Tandon. He has also declared that he is not been debarred from holding the office of Director by virtue of any order passed by the Securities and Exchange Board of India or any such authority.

In the opinion of the Board, Mr. Tandon a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions



of the Listing Regulations, each as amended, and is independent of the Management of the Company. Having regard to the qualifications, skill, experience, capabilities and knowledge, the Board considers that their association would be of immense benefit to the Company and hence, it is desirable to appoint him as an Independent Director.

A copy of the draft letter of appointment of Mr. Tandon setting out the terms and conditions of appointment is available for inspection on the website of the Company at [www.chembond.in](http://www.chembond.in).

The profile and other relevant information as required under the Act, the Listing Regulations and the Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India are part of this Report.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 (1C) of the

Listing Regulations, the approval of Members is sought for the appointment of Mr. Tandon as Non-executive Independent Director of the Company, by way of Special Resolutions as set out above.

Other than Mr. Tandon, to whom the resolution relates and his relatives, none of the Directors, Key Managerial Personnel, or their relatives are in any way, concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the proposed Special Resolution as set out in Resolution No. 13 of this notice.

The Board of Directors commends the Special Resolution set out at Item No. 13 of this Notice for approval by the members. Ratur sintios re, nonsequod quis eicius, si delique recust qui nullabo. Etur siminciis as magnat undanturia debitaessum essum que ne doloreptas

Navi Mumbai  
May 30, 2025

By Order of the Board of Director  
of **Chembond Material Technologies Limited**  
(formerly Chembond Chemicals Limited)

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

sd/-  
**Suchita Singh**  
Company Secretary

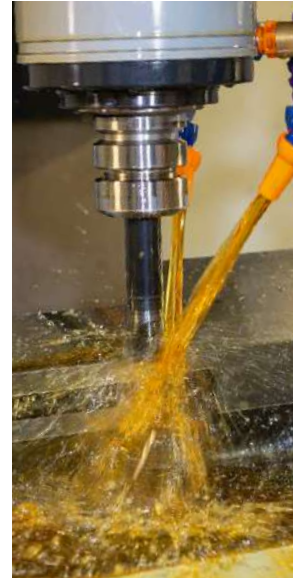
**Details of Directors seeking appointment / re-appointment pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings:**

Name of the Director	Mr. Nirmal V. Shah	Mr. Jaywant Tawade	Mr. Sameer V. Shah	Mr. Kamal Tandon
DIN	00083853	08231696	00105721	09664746
Date of Birth (Age)	November 18, 1971/ 53 years	October 3, 1949 / 75 years	February 16, 1960 (65 years)	April 27, 1963 / 62 years
Date of Appointment/ Re-appointment	August 1, 2022	May 31, 2025	August 1, 2025	July 16, 2025
Designation / Category of Directorship	Vice-Chairman, Managing Director	Additional (Executive) Director	Chairman and Managing Director	Additional (Independent) Director
Expertise in specific functional area	More than 30 years of experience and exposure in managing diverse business and more than 23 years of experience in water treatment chemicals division	More than 45 years of experience in areas of manufacturing, projects – from design to execution to commissioning, operational excellence, strategy, TPM,	Having rich business experience and exposure to managing diverse businesses	More than 38 years of experience in leading Profit Centre Operations, Sales & Marketing, Business Development and Client Relationship Management, chiefly in the Oil & Gas, Petrochemical and Natural Gas Industry to make valuable contribution to the Company
Qualification	Diploma in Business Management	Mechanical Engineering, PGDBM (Pune University)	Chemical Engineering at University Texas and a degree in Finance from Texas State University	MBA (Marketing), NMIMS, 2009, BE (Chemical), Dept of Chem Engineering & Technology, 1984
Terms and conditions of appointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013	Appointment as a Additional (Executive) Director for a period of 3 (three) years w.e.f May 31, 2025 up to May 30, 2028, liable to retire by rotation.	Re-appointment as a Chairman and Managing Director for a period of 3 (three) years with effect from August 1, 2025 up to July 31, 2028, not liable to retire by rotation.	Appointment as an Additional (Independent) Director for a period of 5 (five) years w.e.f July 16, 2025 up to July 15, 2030 not liable to retire by rotation.
No. of Shares held in the Company ➤ own ➤ for other person on a beneficial basis	17,95,190	Nil	17,00,144	Nil
Details of remuneration last drawn (including sitting fees)	Please refer to the Report on Corporate Governance	Nil	Please refer to the Report on Corporate Governance	Nil

Directorships held in other entities (excluding foreign companies)	Finor Piplaj Chemicals Limited; Chembond Water Technologies Limited; Visan Holdings Private Limited; Chembond Distribution Limited; S and N Ventures Private Limited; Chembond Calvatis Industrial Hygiene Systems Limited; Chembond Biosciences Limited; Rewasoft Solutions Private Limited; Chembond Chemicals Limited (now Chembond Chemical Specialties Limited)	Chembond Biosciences Limited	Visan Holdings Private Limited; S and N Ventures Private Limited; Chembond Biosciences Limited; Chembond Chemical Specialties Limited CCL Optoelectronics Private Limited Chembond Calvatis Industrial Hygiene Systems Limited	Nil
Name of Listed entities from which the person has resigned in the past three years	None	Nil	Nil	Nil
Chairperson / Members of the Committee of the Board of Directors of the listed entities	Nil	Nil	Audit Committee – Member Stakeholders Relationship Committee - Member	Nil
Chairman / Member of the Committee of the Board of Directors of other public Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Member of Audit Committee in Chembond Water Technologies Limited and Chembond Material Technologies Private Limited	Nil	Nil	Nil

Brief Resume	<p>Mr. Nirmal V. Shah has over 31 years of experience and exposure to manage diverse businesses. He has been in charge of the Water Treatment Chemical division for the past 23 years. His expertise is in Organisational Management.</p>	<p>Mr. Tawade is highly experienced in areas of manufacturing, projects – from design to execution to commissioning, operational excellence, strategy, TPM, which he has developed over his career spanning 45 years including as head of manufacturing plants at Tata Motors Ltd. He currently serves as Executive Director of Chembond Biosciences Limited (Subsidiary Company). Mr. Tawade is a mechanical engineering graduate of the College of Engineering, Pune and also holds a PGDBM (Pune University).</p>	<p>Sameer Shah has been the Chairman and MD of CCL since 2012. He joined Chembond in 1992 after studying Chemical Engineering at University Texas and a degree in Finance from Texas State University and working for over six years in USA.</p>	<p>He is a strategic and results-oriented leader with more than 38 years of extensive experience in spearheading Profit Centre Operations, Sales &amp; Marketing, Business Development, and Client Relationship Management, predominantly within the Oil &amp; Gas, Petrochemical, and Natural Gas sectors. Demonstrated success in driving operational excellence, strategic growth, and business transformation across varied leadership roles. Mr. Tandon has served GAIL (India) Limited for 26 years, culminating in the position of Executive Director (Western Region), where he Headed Mumbai Zonal office of GAIL as Zonal office In Charge from April 2008 to March 2012 and led critical functions including marketing, project execution, and operations &amp; maintenance activities in Mumbai. Also Held additional charge as Director on the Board of ONGC Petro Additions Limited from July 2022 to April 2023.</p>
No. of Board Meetings attended during F.Y. 2024-25	5	NA	5	NA
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Relative of Mr. Sameer V. Shah	Nil	Relative of Mr. Nirmal V. Shah	Nil







**Chembond Material Technologies Limited**

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