

BOARDS' REPORT

To
The Members of,
Chembond Distribution Limited

The Directors of your Company take pleasure in presenting the 15th Annual Report together with the Audited Financial Statements for the year ended 31st March, 2021.

FINANCIAL RESULTS

The financial performance of your Company for the FY 2020-21 & FY 2019-20 are as summarized below:

Particulars	Amount (₹ in Lakhs)	
	2020-21	2019-20
Revenue from Operations	2212.05	2122.77
Profit for the year	113.58	103.35
Add: Balance as per last year	266.76	163.42
Total	380.34	266.76
Appropriation		
General Reserves	--	---
Set off of Dividend Tax in respect of dividend from Subsidiary Company.	--	---
Interim Dividend	--	---
Proposed Dividend	--	---
Tax on Proposed Dividend	--	---
Balance carried to Balance Sheet	380.34	266.76
Total	380.34	266.76

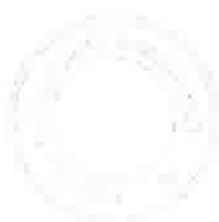
HIGHLIGHTS OF PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

The total revenue from operations for FY 2020-21 increased to Rs.2,212.05 lakhs from Rs.2,122.77 lakhs in F.Y. 2019-20. The profit for the year increased to Rs. 113.58 lakhs from Rs. 103.35 lakhs in F.Y. 2019-20.

During the year under review, considering the expansion in business operations, the Board of Directors approved revision of the existing limits of borrowings such that the Company can borrow the sum or sums of monies upto Rs. 10,00,00,000 (Rupees Ten Crores only). The consent of Members was obtained upon the same in the Extra Ordinary General Meeting of the Company held on 8th June, 2020.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.



AMOUNT, IF ANY, WHICH IT PROPOSES TO CARRY TO ANY RESERVES

The Company has not transferred any amount from its current year's profit to General Reserve.

DIVIDEND

The Board of Directors has not recommended any dividend on equity share.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Your Company is engaged in the business of distribution of goods and accordingly, your Directors have nothing to state in connection with Conservation of Energy and Technology Absorption.

During the period under review, the foreign exchange earnings and out-go were as under:

(i)	Foreign Exchange earnings	:	Nil
(ii)	Foreign Exchange spent	:	₹ 1359.718 Lakhs

PARTICULARS OF EMPLOYEES

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

EXTRACT OF THE ANNUAL RETURN

Details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure 1.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, five (5) Board Meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Name of Director	Designation	No. of Board Meetings entitled to attend	No. of Board Meetings attended
Mr. Nirmal V. Shah	Director	5	5
Mr. Sameer V. Shah	Director	5	5
Mr. Paresh Trivedi	Director	5	5

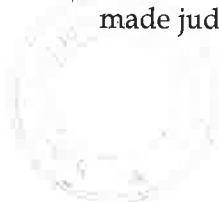
CHANGES IN SHARE CAPITAL STRUCTURE

During the year under review there has been no change in the share capital structure of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them and in terms of Section 134(3)(c) of the Companies Act, 2013, Directors on the Board state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and



- fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the Directors had taken 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) the Directors had prepared the annual accounts on a going concern basis;
 - e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments during the period under review which may affect the financial position of the Company.

DIRECTORS OR KEY MANAGERIAL PERSONNEL

There was no change in Directors and KMP's during the year in the Company.

Mr. Paresh N. Trivedi, Director of the Company is liable to retire by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Company has put in place appropriate policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act.

DEPOSITS

Details relating to deposits, covered under Chapter V of the Act are given below:

- I. Accepted during the year
The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and rules framed thereunder.
- II. Remained unpaid or unclaimed as at the end of the year
There are no unpaid or unclaimed deposits.
- III. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved (i) at the beginning of the year (ii) maximum during the year (iii) at the end of the year
There has been no default as mentioned above.
- IV. Details of deposits which are not in compliance with the requirements of chapter V of the act:
The Company has not received any deposit during the year under review.



DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS (IFC) WITH REFERENCE TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2021, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses have been noticed. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operation.

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence is very minimal.

DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR

Corporate Social Responsibility as stated in Section 135 of the Companies Act, 2013 is not applicable to your Company.

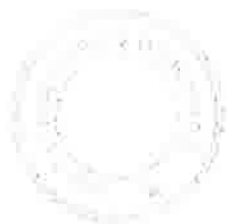
AUDITORS

The Statutory Auditors of your Company, M/s. Bathiya & Associates, LLP, (Firm Registration No. 101046W) were appointed in the 13th Annual General Meeting (AGM) of the Company to hold office for a period of five years from the conclusion of the 13th AGM till the conclusion of 18th AGM of the Company i.e. from 2019-20 to 2023-24.

The Audit Report submitted by M/s. Bathiya & Associates, LLP for FY 2020-21 does not contain any qualification, reservation or adverse remark or disclaimer.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. Particulars of contracts or arrangements with related parties in form AOC 2 is attached as Annexure 2.



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 & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint were received during the year under review.

ACKNOWLEDGEMENTS

Your Board takes this opportunity to express its gratitude to the customers, vendors, shareholders, and bankers for the faith they have reposed in the Company. Your Directors also place on record their sincere appreciation of the contribution of its employees for their competence, hard work, and co-operation.

For and on behalf of the Board of Directors of
Chembond Distribution Limited



Nirmal V. Shah
Director
DIN: 00083853



Sameer V. Shah
Director
DIN: 00105721



Mumbai
1st May, 2021

ANNEXURE 1

**ANNEXURE TO THE BOARDS' REPORT
EXTRACT OF THE ANNUAL RETURN
as on the financial year ended 31.03.2021**

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014

FORM MGT-9

I. Registration and other details

CIN	U24117MH2006PLC166227
Registration Date	14 th December, 2006
Name of the Company	Chembond Distribution Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and Contact details	EL-71, Chembond Centre, MIDC, Mahape, Navi Mumbai 400710 Tel: (9122) 62643000 Fax: (9122) 27681294
Whether listed Company	No
Name, address and contact details of Registrar and Transfer Agent, if any	TSR Darashaw Consultants Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai-400083. Contact Person: Ms. Madhuri Narang Tel: 022 - 6656 8484 Fax: 022 - 6656 8494 E-mail : csg-unit@tcplindia.co.in Web : www.tcplindia.co.in

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Trading of Specialty Chemicals	46102	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1	Chembond Chemicals Limited EL-71, Chembond Centre, MIDC, Mahape, Navi Mumbai 400710	L24100MH1975PLC018235	Holding Company	100%	2(46)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2020				No. of Shares held at the end of the year 31.03.2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	3	2	5	0.0001	5	0	5	0.0001	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	499,995	0	499,995	99.99	499,995	0	499,995	99.99	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	499,998	2	500,000	100.00	500,000	0	500,000	100.00	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	499,998	2	500,000	100.00	500,000	0	500,000	100.00	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									



ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	499,998	2	500,000	100.00	500,000	0	500,000	100.00	0

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of Shares Pledged / encumbered to total shares		No. of Shares	% of Shares Pledged / encumbered to total shares	% of total Shares of the company	
1	Chembond Chemicals Limited	499994	0	99.99	499994	0	99.99	0
2	Mr. Sameer V. Shah Jointly Shilpa S. Shah*	1	0	0.0002	1	0	0.0002	0
3	Mr. Nirmal V. Shah Jointly Mamta N. Shah*	1	0	0.0002	1	0	0.0002	0
4	Mrs. Mamta N. Shah Jointly Nirmal V. Shah*	1	0	0.0002	1	0	0.0002	0
5	Dr. Shilpa S. Shah Jointly Sameer V. Shah*	1	0	0.0002	1	0	0.0002	0
6	Mrs. Padma V. Shah*	1	0	0.0002	1	0	0.0002	0
7.	Finor Piplaj Chemicals Limited*	1	0	0.0002	1	0	0.0002	0
	Total	500000	0	100.00	500000	0	100.00	0

*Nominee of Chembond Chemicals Limited



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year 01.04.2020		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
No Change							

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year			NA	
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			NA	
	At the End of the year (or on the date of separation, if separated during the year)			NA	

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 01 st April, 2020		Shareholding at the end of the year 31 st March, 2021	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Nirmal V Shah Jointly Mrs. Mamta N. Shah*	1	0.0002	1	0.0002
2	Mr. Sameer V. Shah Jointly Dr. Shilpa S. Shah*	1	0.0002	1	0.0002

*Nominee of Chembond Chemicals Limited



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. (Rs.In Lakhs))

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year	0	35.00	9.78	44.78
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	0	35.00	9.78	44.78
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction		(35.00)	(9.78)	(44.78)
Net Change	0	(35.00)	(9.78)	(44.78)
Indebtedness at the end of the financial year	0	0	0	0
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	0	0	0	0

*The above amounts are accepted from vendors/sales agents as security deposits.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.
2.	Stock Option	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.
4.	Commission - as % of profit - others, specify...	N.A.	N.A.
5.	Others, please specify	N.A.	N.A.
	Total (A)	N.A.	N.A.
	Ceiling as per the Act	N.A.	N.A.



B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
	Independent Directors <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify	N.A.	N.A.
	Total (1)	N.A.	N.A.
	Other Non-Executive Directors <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify	N.A.	N.A.
	Total (2)	N.A.	N.A.
	Total (B)=(1+2)	N.A.	N.A.
	Total Managerial Remuneration	N.A.	N.A.
	Overall Ceiling as per the Act	N.A.	N.A.

C. Remuneration To Key Managerial Personnel Other Than M.D/Manager/WTD:


Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA	NA
2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA	NA	NA
5.	Others, please specify	NA	NA	NA	NA
	Total	NA	NA	NA	NA

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No penalties/punishment/compounding of offences were levied on the Company or Director or any of its officers during the year under review.

For and on behalf of the Board of Directors of
Chembond Distribution Limited


Nirmal V. Shah
Director
DIN: 00083853


Sameer V. Shah
Director
DIN: 00105721



Mumbai
1st May, 2021

Annexure 2 to Boards' Report**Form No. AOC-2**

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

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

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


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

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

a)	Name(s) of the related party and nature of relationship	Chembond Chemicals Limited (Holding Company)
b)	Nature of contracts/arrangements/transactions	Sales
c)	Duration of the contracts / arrangements/transactions	Varies from time to time
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	NA
f)	Date(s) of approval by the Board	28 th May, 2020
g)	Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors of
Chembond Distribution Limited


Nirmal V. Shah
Director
DIN: 00083853


Sameer V. Shah
Director
DIN: 00105721



Mumbai
1st May, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of
Chembond Distribution Limited

Report on the Audit of the Financial Statements:

Opinion

We have audited the financial statements of Chembond Distribution Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, the statement of Profit and Loss (including other comprehensive loss), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2021, and profit and other comprehensive loss, 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Emphasis of Matter – Effects of COVID-19

We draw attention to Note 36 in the financial statements, which describes the uncertainties and the impact of the Covid-19 pandemic on the Company's operations and financial statements as



Bathiya & Associates LLP

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Court Naka, Station Road, E : info@bathiya.com
Thane (W) - 400 601. bathiya.com

assessed by the management. The actual financial impact may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

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 Directors Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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



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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of



the 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion proper books of account as required by law relating to preparation of the financial statements have been kept by the Company so far as it appears from our examination of those books;
 - c. The balance sheet, the statement of profit and loss, the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these financial statements;
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
 - e. On the basis of the written representations received from the directors as on 31st March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls; refer to our separate report in "**Annexure B**"; and
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. There were no pending litigations which would impact the financial position of the Company.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amount required to be transferred to Investor Education and Protection Fund by the Company in accordance to the provision of the Act, and rules made there under.
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 not paid and / or provided for any remuneration to its directors during the year ended 31st March, 2021 and hence the provisions of Section 197 of the Act are not applicable to the Company.

For **Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063



Jatin A. Thakkar

Partner

Membership No.: 134767



Place : Mumbai

Date : May 01, 2021

UDIN : 21134767AAAABX3799

Annexure - A to the Independent Auditors' Report

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

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of the Company.

(i) In respect of Fixed Assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us, all the assets have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property. Therefore, in our opinion, clause (i) (c) of the aforesaid Order is not applicable to the Company.

(ii) In respect of its Inventories:

As per the information and explanations given to us, the physical verification of inventories has been conducted at reasonable intervals by the management and as explained to us the discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) The Company has not given loans, made investments, given guarantees and provided securities covered by provisions of Section 185 and 186 of the Act. Therefore, clause (iv) of the aforesaid Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public during the year under sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, clause (v) of the Order is not applicable to the Company.

(vi) According to the information given to us, Central Government has not prescribed the maintenance of cost records under section 148(1) of the companies Act, 2013, in case of the Company. Therefore, clause (v) of the aforesaid Order is not applicable to the Company.

(vii) In respect of statutory dues:

- (a) As per information and explanations given to us, undisputed statutory dues including provident fund, income tax, profession tax, GST, sales tax, service tax, custom duty, 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



income tax, GST, sales tax, customs duty, which were in arrears, as at 31st March, 2021 for a period of more than six months from the date they became payable except the following:

Name of statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the amount relates (Financial Year)
The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax (PTRC & PTEC)	0.33	2017-18, 2018-19 and 2019-20

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

Name of Statute	Amount (Rs. In Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income tax (TDS)	0.04	2020-21	Assistant commissioner of Income Tax, CPC-TDS
Income tax (TDS)	0.004	2019-20	Assistant commissioner of Income Tax, CPC-TDS
Income tax (TDS)	0.01	2017-18	Assistant commissioner of Income Tax, CPC-TDS
Income tax (TDS)	1.26	Prior Years	Assistant commissioner of Income Tax, CPC-TDS
Total	1.32		

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayments of dues to the banks, financial institutions, Government or debenture holders.
- (ix) On the basis of records of the Company examined by us and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loan during the year. Therefore, the clause (ix) of the aforesaid Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any



instances of fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year, nor we have been informed of such case by the management.

- (xi) The Company has neither paid nor provided managerial remuneration during the year, hence clause (xi) of the aforesaid Order is not applicable to the Company.
- (xii) The Company is not a Nidhi company, hence the clause (xii) of the aforesaid Order is not applicable to the Company.
- (xiii) On the basis of records of the Company examined by us and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with Section 188 of the Act and the same is disclosed in the financial statements as required by the applicable accounting standards. The Company is not required to form an audit committee, hence provisions of Section 177 of the Act are not applicable.
- (xiv) The Company has not made any preferential allotments or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, clause (xiv) of the aforesaid Order is not applicable to the Company.
- (xv) On the basis of records of the Company examined by us and according to the information and explanations given to us, we are of the opinion that the Company has not entered into any non-cash transactions with directors or persons connected with directors.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence clause (xvi) of the aforesaid Order is not applicable to the Company.

For **Bathiya & Associates LLP**

Chartered Accountants

Firm's registration number: 101046W/W100063



Jatin A. Thakkar

Partner

Membership Number: 134767

Place: Mumbai

Date: May 01, 2021.



Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31st March, 2021)

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

We have audited the internal financial controls over financial reporting of Chembond Distribution Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the 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 financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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



Jatin A. Thakkar

Partner

Membership No.: 134767

Place : Mumbai

Date : May 01, 2021



Chembond Distribution Limited.
Balance Sheet as at 31st March 2021

	Notes	As at 31/03/2021 (Rs. In lakhs)	As at 31/03/2020 (Rs. In lakhs)
I ASSETS			
1	Non-current assets		
	(a) Property, plant and equipment	0.56	0.85
	(b) Other Intangible Assets	0.22	0.31
	(c) Financial Assets		
	i) Other financial assets	0.55	0.55
	(d) Deferred tax assets (Net)	5.48	27.83
	(e) Other non-current assets	0.62	0.84
	Total Non - Current Assets	7.43	30.38
2	Current Assets		
	(a) Inventories	117.67	105.99
	(b) Financial Assets		
	i) Trade receivables	538.55	463.89
	ii) Cash and cash equivalents	18.30	8.58
	iii) Loans	0.04	0.08
	iv) Other financial assets	1.59	1.59
	(c) Other current assets	28.46	26.46
	Total Current Assets	704.61	606.59
	Total Assets	712.04	636.97
II EQUITY AND LIABILITIES			
1	Equity		
	(a) Share capital	5.00	5.00
	(b) Other equity	412.52	299.01
	Total Equity	417.52	304.01
2	Non-Current Liabilities		
	(a) Financial liabilities		
	i) Borrowings	-	44.78
	(b) Other non-current liabilities	0.50	-
	(c) Provisions	44.33	18.24
	Total Non - Current Liabilities	44.83	63.02
3	Current liabilities		
	(a) Financial liabilities		
	i) Trade payables		
	Trade payables -MSMED	35.61	4.84
	Trade payables -Others	192.35	253.28
	(b) Other current liabilities	21.74	11.82
	Total Current Liabilities	249.69	269.94
	Total Equity and Liabilities	712.04	636.97
	Significant Accounting Policies and Notes on Financial Statements	1-39	

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

Jatin A. Thakkar

Jatin A. Thakkar
Partner
Membership No. : 134767

Place : Mumbai.
Date: 01st May, 2021



For and on behalf of Board of Directors of
Chembond Distribution Limited
CIN: U24117MH2006PLC166227

Nirmal V. Shah

Nirmal V. Shah
Director
DIN: 00083853

Place : Mumbai.
Date: 01st May, 2021

Sameer V. Shah

Sameer V. Shah
Director
DIN: 00105721

Place : Mumbai.
Date: 01st May, 2021



Chembond Distribution Limited.
Statement of Profit and Loss for the year ended 31st March 2021

	Notes	As at 31/03/2021 (Rs. In lakhs)	As at 31/03/2020 (Rs. In lakhs)
I Revenue From Operations	20	2,212.05	2,122.77
II Other Income	21	21.26	32.85
III Total Revenue (I+II)		2,233.32	2,155.62
IV Expenses :			
Purchases of Stock-in-trade	22	1,909.01	1,828.74
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	23	(13.92)	22.94
Employee Benefits Expense	24	54.53	50.05
Finance Costs	25	11.62	5.19
Depreciation and Amortisation expense	26	0.46	0.24
Other Expenses	27	81.28	58.46
Total Expenses		2,042.97	1,965.63
V Profit before Exceptional items and Tax		190.34	190.00
VI Exceptional Items		0.00	0.00
VII Profit before Tax		190.34	190.00
VIII Tax Expense			
Current Tax		54.33	58.18
Deferred Tax		22.35	28.21
Short/Excess provision of IT for earlier year		0.09	0.26
Total Tax Expense		76.76	86.65
IX Profit for the Year		113.58	103.35
X Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss		(0.09)	(2.09)
ii) Income Tax relating to items that will not be reclassified to profit or loss		0.03	0.58
2 i) Items that will be reclassified to profit or loss		-	-
ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income (1+2)		(0.07)	(1.51)
Total Comprehensive Income (IX+X)		113.51	101.84
XI Earning Per Equity Share of Face Value of Rs. 10 each	33		
Basic (In Rs.)		22.72	20.67
Diluted (In Rs.)		22.72	20.67
Significant Accounting Policies and Notes on Financial Statements	1-39		

For Bathiya & Associates LLP
Chartered Accountants
FRN - 101046WW100063

Jatin A. Thakkar

Jatin A. Thakkar
Partner
Membership No. : 134767

Place : Mumbai.
Date: 01st May, 2021



For and on behalf of Board of Directors of
Chembond Distribution Limited
CIN: U24117MH2006PLC166227

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DIN: 00083853

Place : Mumbai.
Date: 01st May, 2021

Sameer V. Shah
Sameer V. Shah
Director
DIN: 00105721

Place : Mumbai.
Date: 01st May, 2021



Chembond Distribution Limited.

CASH FLOW STATEMENT

(Rs. In Lakhs)

Particulars	2020-2021		2019-2020	
A Cash Flow from Operating Activities				
Profit before tax		190.34		190.00
Adjustments for :				
Depreciation and amortisation	0.46		0.24	
Finance Cost	11.62		5.19	
Less :		12.08		5.43
Foreign Exchange Fluctuation (Unrealized gain)	(0.56)		-	
Dividend Received		(0.56)		
Operating Profit before working capital changes		201.86		195.43
Adjustments for :				
Trade and Other Receivables	(163.88)		(57.61)	
Inventories	(11.68)		22.79	
Trade and Other Payables	6.91		(160.42)	
Cash generated from operations		(168.65)		(195.24)
Income taxes paid (Net of Refund)		33.22		0.18
		33.00		(27.00)
Net Cash from Operating Activities (A)		66.22		(26.82)
B Cash Flow from Investing Activities				
Payment to acquire Property, plant & equipments		(0.09)		(0.79)
Net Cash used in Investing Activities (B)		(0.09)		(0.79)
C Cash Flow from Financing Activities				
Proceeds/(Repayment) of Long Term Borrowings				34.17
Proceeds/(Repayment) of Long Term Borrowings		(44.78)		
Finance Cost		(11.62)		(5.19)
Net Cash from Financing Activities (C)		(56.41)		28.98
Net (Decrease)/Increase in Cash & Cash Activities (A+B+C)		9.72		1.37
Cash and Cash Equivalents and Other Bank Balances as on Opening		8.58		7.21
Cash and Cash Equivalents and Other Bank Balances as on Closing (Refer Note 10)		18.30		8.58

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

Jatin A. Thakkar

Jatin A. Thakkar
Partner
Membership No. : 134767

Place : Mumbai.
Date: 01st May, 2021



For and on behalf of Board of Directors of
Chembond Distribution Limited
CIN: U24117MH2006PLC166227

Nirmal V. Shah

Nirmal V. Shah
Director
DIN: 00083853

Place : Mumbai.
Date: 01st May, 2021

Sameer V. Shah

Sameer V. Shah
Director
DIN: 00105721

Place : Mumbai.
Date: 01st May, 2021



Chembond Distribution Limited,
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

(a) Equity share capital

	No. of Shares	(Rs. In lakhs)
Balance as at 31st March 2019	500,000	5.00
Changes in equity share capital	-	-
Balance as at 31st March 2020	500,000	5.00
Changes in equity share capital	-	-
Balance as at 31st March 2021	500,000	5.00

(b) Other Equity

Particulars	Reserves and Surplus				OCI	Total other equity
	General Reserve	Share Premium	Employees Shares Options Outstanding	Retained earnings	Remeasurement s of the net defined benefit Plans	
Balance as at 31st March 2019	-	33.75	-	163.42	-	197.17
Profit for the year	-	-	-	103.35	-	103.35
Other comprehensive income for the year	-	-	-	-	(1.51)	(1.51)
Total Comprehensive Income	-	-	-	103.35	(1.51)	101.84
Balance as at 31st March 2020	-	33.75	-	266.76	(1.51)	299.01
Profit for the year	-	-	-	113.58	-	113.58
Other comprehensive income for the year	-	-	-	-	(0.07)	(0.07)
Total Comprehensive Income	-	-	-	113.58	(0.07)	113.51
Balance as at 31st March 2021	-	33.75	-	380.34	(1.58)	412.52

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

Jatin A. Thakkar

Jatin A. Thakkar
Partner
Membership No. : 134767

Place : Mumbai.
Date: 01st May, 2021



For and on behalf of Board of Directors of
Chembond Distribution Limited
CIN: U24117MH2006PLC166227

Nirmal V. Shah

Nirmal V. Shah
Director
DIN: 00083853

Place : Mumbai.
Date: 01st May, 2021

Sameer V. Shah

Sameer V. Shah
Director
DIN: 00105721

Place : Navi Mumbai.
Date: 01st May, 2021



Chembond Distribution Ltd.
Notes forming part of the Financial Statements as at 31st March, 2021
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

NOTE 1 - COMPANY OVERVIEW

Chembond Distribution Ltd. is a wholly owned subsidiary of Chembond Chemicals Ltd. In Previous year 2018-19 Chembond Chemicals Ltd. Increased its shareholding from 47% to 99%, thereby making Chembond Distribution Ltd. a wholly owned subsidiary

Chembond Distribution Ltd. ("the Company") is carrying on the business of trading specially Chemicals.

The Company has been incorporated on 14th December 2006

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The Company has prepared financial statements for the year ended March 31, 2021 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2020. Further, the Company has prepared the opening balance sheet as at April 01, 2016 (the transition date) in accordance with Ind AS.

For all the periods up to the year ended March 31, 2017, the Company had prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

A Basis of Preparation and measurement

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

Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

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.

B Use of Estimates

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.

Critical accounting estimates and assumptions



The areas involving critical estimates or judgements are:

- a. Estimation of taxes
- b. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life.
- c. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized
- d. Recognition and measurement of defined benefit obligations, key actuarial assumptions resources
- f. Fair value of financial instruments

C 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 capitalizes 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 derecognised 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.

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

Depreciation and Amortization

Depreciation on PPE has been provided based on useful life of the assets in accordance with Schedule II of the Companies Act, 2013, under Written Down Value method. Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal. Residual value for all assets are considered at 5% of cost of acquisition of an asset. Depreciation methods, useful lives and residual value are reviewed at each reporting date and adjusted prospectively, if appropriate. Intangible assets consisting of computer softwares which are amortised on Written Down Value (WDV) method at the rate of assets 40% p.a.

The residual values, useful lives and methods of depreciation of PPE are reviewed on a regular basis and changes in estimates, when relevant, are accounted for on a prospective basis

Capital Work-in-progress

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

D 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.

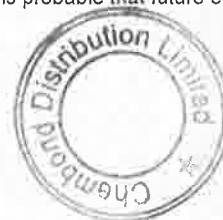
Cost of raw materials, packing materials and stores spares and consumables Stocks is determined so as to exclude from the cost, taxes and duties which are subsequently recoverable from the taxing authorities.

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.

E Revenue Recognition

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

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



i. Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer as per terms of Contract, usually on delivery of goods.

ii. Revenue from services is recognised pro-rata as and when services are rendered over a specified period of time. The company collects

F Interest income is recognised using effective interest method on time proportion basis taking in to account the amount outstanding.

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

G Foreign Currency Translation

The functional currency of the Company is Indian rupee (₹).

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.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

H Impairment of Assets

(i) Financial assets (other than at fair value)

The Company assesses at each date of Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the assets belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of profit and loss.

I Retirement 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.

Other Long Term Employee Benefits:

The Company does not allow any accumulation of leavebalance or encashment thereof.

J Provision For Current & Deferred Tax

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

Current Tax

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

Deferred Tax

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

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

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

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



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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in finance costs.

K 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.

L Provision, Contingent Liabilities And Contingent Assets :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Contingent Assets

Contingent liability is disclosed for,

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made

Contingent Assets are not recognised in the financial statements.

M Dividend distribution to equity shareholders

Dividend to equity shareholders is recognised as a liability in the period in which the dividends are approved by the equity shareholders. Interim dividends that are declared by the Board of Directors without the need for equity shareholders' approvals are recognised as a liability and deducted from shareholders' equity in the year in which dividends are declared by the Board of directors.

N Lease Accounting

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Company as a lessee

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. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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.

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.



O Trade Receivables

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

P 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.

Q Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the company are recognised at the proceeds received net off direct issue cost.



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

(Rs. In lakhs)

Description	GROSS BLOCK (AT COST)			DEPRECIATION INCLUDING AMORTISATION			NET BLOCK			
	As at 1.04.2020	Additions	Deductions	As at 31.03.2021	As at 1.04.2020	Additions	Deductions	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Property, plant and equipment										
Tangible Assets										
Factory Equipment	0.13	-	-	0.13	0.01	0.02	-	0.04	0.10	0.12
Office Equipment	0.72	-	-	0.72	0.60	0.06	-	0.65	0.06	0.12
Equipment & Machinery	0.21	-	-	0.21	0.14	0.02	-	0.16	0.06	0.08
Computer Hardware	1.09	-	-	1.09	0.56	0.18	-	0.74	0.35	0.53
Sub- total	2.15	-	-	2.15	1.30	0.28	-	1.59	0.56	0.85
Intangible Assets										
Computer Software	0.32	0.09	-	0.40	0.02	0.18	-	0.19	0.21	0.30
Sub- total	0.32	0.09	-	0.40	0.02	0.18	-	0.19	0.21	0.30
Total	2.47	0.09	-	2.56	1.32	0.46	-	1.78	0.78	1.15
Previous Year	1.68	0.79	-	2.47	1.07	0.24	-	1.32	1.15	0.61



Chembond Distribution Limited.
Notes on Financial Statements for the year ended 31st March, 2021

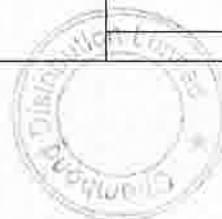
		As at 31/03/2021	As at 31/03/2020
4	Other Financial Assets (Unsecured & considered good)		
	Deposit with Sales Tax (NSC)	0.55	0.55
	Total	0.55	0.55
5	Deferred tax assets (Net)		
	Mat credit entitlement	-	22.98
	Deferred Tax Asset / (Liability)		
	Depreciation	0.01	(0.04)
	Provision of Doubtful Debt	5.47	4.89
	Total	5.48	27.83
6	Other non-current assets		
	Gratuity	0.62	0.84
	Total	0.62	0.84
7	Inventories (At lower of Cost and Net Realisable Value)		
	Raw Material	0.12	2.36
	Stock-in-Trade	117.55	103.63
	Total	117.67	105.99
8	TRADE RECEIVABLES (Unsecured)		
	Unsecured Considered Good	538.55	463.89
	Unsecured Considered doubtful	18.79	16.79
	Less : Provision for Doubtful Debts	18.79	16.79
	Total	538.55	463.89
a	For Related party transactions Refer Note No.32		
9	CASH AND CASH EQUIVALENTS		
	Balances with banks		
	In Current Accounts	18.30	8.58
	Cash on hand	0.00	0.00
	Total	18.30	8.58
10	Loans (Unsecured & considered good)		
	Loan and advance to Employees	0.04	0.08
	Total	0.04	0.08
11	OTHER FINANCIAL ASSETS (Unsecured & considered good)		
	Security Deposits	1.59	1.59
	Total	1.59	1.59
12	Other Current Assets		
	Prepaid expenses	0.86	0.24
	Advances for supply of goods and services	17.92	19.86
	Balances with government authorities	9.66	6.34
	Gratuity	0.01	0.01
	Total	28.46	26.46



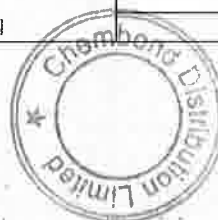
13 SHARE CAPITAL			
Authorised			
50,00,000 Equity Shares of Rs.1/- each		50.00	50.00
Issued, Subscribed and Paid up			
500,000 Equity Shares of Rs.1/-) each fully paid up		5.00	5.00
Total		5.00	5.00
a Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:			
Number of shares outstanding at the beginning of the year		500,000	500,000
Additions during the year			
Deductions during the year			
Number of shares outstanding at the end of the year		500,000	500,000
b Details of Shareholders holding more than 5% Shares			
Name of the Shareholder		As at 31/03/2021 No of Shares	As at 31/3/2020 No of Shares
Chembond Chemicals Limited and its nominees		500,000	500,000
% held		100.00%	100.00%
14 OTHER EQUITY			
Share Premium			
As per last year		33.75	33.75
Add: Received on ESOP Shares Issue		-	-
		33.75	33.75
Retained Earnings			
As per last year		266.76	163.42
Add: Profit for the Year		113.58	103.35
		380.34	266.76
Less: Appropriations			
		380.34	266.76
Other Comprehensive Income (OCI)			
Remeasurements of the net defined benefit Plans			
As per last year		(1.51)	-
Movement During the Year		(0.07)	(1.51)
		(1.58)	(1.51)
Total		412.52	299.01
15 BORROWINGS			
Unsecured			
Loans from Related Parties		-	35.00
Loans from Others		-	9.78
		-	44.78
Total		-	44.78
16 Other non-current liabilities			
Advance received from customer		0.50	
		0.50	



		As at 31/03/2021	As at 31/03/2020
17	Provisions- Non Current		
	Provision for Income Tax	44.33	18.24
	Total	44.33	18.24
18	TRADE PAYABLES		
	Micro, Small and Medium Enterprises	35.61	4.84
	Others	192.35	253.28
	Total	227.95	258.12
a	For Related party transaction Refer Note No.32		
19	OTHER CURRENT LIABILITIES		
	Advance Received From Customers	-	0.38
	Statutory Dues	7.88	1.73
	Accrued Salaries & Benefit	7.52	5.19
	Other Payables	0.50	-
	Provision for expenses	5.84	4.52
	Total	21.74	11.82
20	REVENUE FROM OPERATIONS		
		2020-2021	2019-2020
		(Rs. In lakhs)	(Rs. In lakhs)
	Sales	2,212.05	2,122.77
	Less Excise Duty		
	Net Sales	2,212.05	2,122.77
	Total	2,212.05	2,122.77
	Total	2,212.05	2,122.77
21	OTHER INCOME		
	Interest income on :		
	Bank deposits at amortised cost	0.24	-
	Loans at amortised cost	0.47	0.02
	Other Non-operating income	9.05	0.62
	Net gain on foreign exchange	0.56	21.29
	Discount Received	10.94	10.92
	Total	21.26	32.85
22	PURCHASE OF STOCK-IN-TRADE		
	Purchases of Stock-in-trade	1,909.01	1,828.74
	Total	1,909.01	1,828.74
23	CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS AND TRADED GOODS		
	Finished products/ Stock in Trade (At Close)	117.55	103.63
	Finished products/ Stock in Trade (At commencement)	103.63	126.57
	Total	(13.92)	22.94



		As at 31/03/2021	As at 31/03/2020
24	EMPLOYEE BENEFIT EXPENSES		
	Salaries & Wages	51.77	50.38
	Gratuity	0.17	(3.28)
	Contribution to Provident & other funds	2.53	2.69
	Staff Welfare Expenses	0.05	0.26
	Total	54.53	50.05
25	FINANCE COST		
	Interest Expense		
	- Banks	3.71	3.80
	- Others	7.92	1.39
	Total	11.62	5.19
26	DEPRECIATION AND AMORTISATION EXPENSES		
	Depreciation and Amortisation Expenses	0.46	0.24
	Total	0.46	0.24
27	OTHER EXPENSES		
	ADMINISTRATIVE EXPENSES		
	Rates & Taxes	0.03	0.03
	Printing and stationary	0.01	0.03
	Telephone & Postage Expenses	1.00	1.61
	Auditors Remuneration	1.28	1.18
	Legal, Professional & consultancy fees	1.31	3.81
	Rent	8.18	7.23
	Miscellaneous expenses	3.56	3.36
	Computer Expenses	0.56	0.61
	Provision for Doubtful Debts	2.00	13.01
	Bad Debts Written Off	14.98	0.03
	A	32.90	30.89
	SELLING AND DISTRIBUTION EXPENSES		
	Carriage outwards	10.96	9.53
	Commission on sales	5.78	3.19
	Travelling Expenses	0.77	3.78
	Warehousing Charges	10.27	8.72
	Realized loss on forex	18.95	-
	Sales Promotion Expenses	1.64	2.35
	B	48.38	27.57
	(A+B)	81.28	58.46
	LESS :Reimbursement of expenses		
	Total	81.28	58.46
a	Auditor's Remuneration consists of:		
		As at 31/03/2021 (Rs. In lakhs)	As at 31/03/2020 (Rs. In lakhs)
	Statutory Audit Fees	0.82	0.76
	Tax Audit Fees	0.32	0.29
	Taxation and Other Matters	0.14	0.13
	Total	1.28	1.18



28 Tax Reconciliation

	2020-2021 (Rs. In lakhs)	2019-2020 (Rs. In lakhs)
(a) The income tax expense consists of the followings:		
Particulars		
Current Income Tax	54.42	58.44
Deferred Tax Expense	22.35	28.21
Tax expense for the year	76.76	86.65
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax Rate		
Profit before income tax expense	190.34	190.00
Indian statutory income tax rate (MAT) / Normal Tax Rate	27.82%	27.82%
Expected Income Tax expenses	52.95	52.86
Part A		
Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
Income exempt from income taxes		
Additional allowances/deduction	1.30	3.12
MAT Credit Entitlement		0.00
Others	0.06	2.20
Short/Excess Provision for earlier years	0.09	0.26
Current Tax (A)	54.42	58.44
Part B		
Deferred Tax Effect at the rate of:	29.12%	29.12%
MAT Credit Reversal, Depreciation & Provision for Doubtful Debts	22.35	28.21
Deferred Tax (B)	22.35	28.21
Tax Expense (A+B)	76.76	86.65

29 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

	As at 31 March 2021							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents (Including other bank balances)			18.30	18.30				
Trade and other receivables			538.55	538.55				
Loans			0.04	0.04				
Other financial assets			2.14	2.14				
TOTAL			559.03	559.03				
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)								
Short term borrowings								
Trade and other payables			227.95	227.95				
Other financial liabilities								
TOTAL			227.95	227.95				

	As at 31 March 2020							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents (Including other bank balances)			8.58	8.58				
Trade and other receivables			463.89	463.89				
Loans			0.08	0.08				
Other financial assets			2.14	2.14				
TOTAL			474.69	474.69				
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)			44.78	44.78				
Short term borrowings								
Trade and other payables			258.12	258.12				
Other financial liabilities								
TOTAL			302.90	302.90				



39 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, aggregate to Rs. 2.50 Lakh (Previous year Rs. 1.41 lakh).

	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to Provident Fund	2.21	2.29
Contribution to ESIC	0.13	0.20
Contribution to Labour Welfare Fund	0.01	0.01

(B) Defined Benefit Plan

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

	As at 31 March 2021	As at 31 March 2020
	(Funded plan)	
(i) Change in Defined Benefit Obligation		
Opening defined benefit obligation	2.48	0.00
Amount recognised in profit and loss		
Current service cost	0.23	0.37
Interest cost	0.17	-
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:	0.05	2.11
Return on Plan Assets		
Financial assumptions		
Other		
Benefits paid		
Closing defined benefit obligation	2.93	2.48
(ii) Change in Fair Value of Assets		
Opening fair value of plan assets	3.33	0.00
Amount recognised in profit and loss		
Interest income	0.23	
Amount recognised in other comprehensive income		
Actuarial gain / (loss)		
Return on Plan Assets, Excluding Interest Income	(0.04)	0.02
Equitable Transfer in		2.88
Contributions by employer	0.04	0.44
Benefits paid		
Closing fair value of plan assets	3.55	3.33
Actual return on Plan Assets		
(iii) Plan assets comprise the following		
	Unquoted	Unquoted
Insurance fund (100%)	3.55	3.33
(iv) Principal actuarial assumptions used	%	%
Discount rate	6.73	6.75
Withdrawal Rate	1.00	1.00
Future Salary Increase	5.00	5.00
(v) Amount recognised in the Balance Sheet	As at 31st March, 2021	As at 31st March, 2020
Present value of obligations as at year end	2.93	2.48
Fair value of plan assets as at year end	3.55	3.33
Net (asset) / liability recognised as at year end	(0.63)	(0.66)
Recognised under :		
Short term provisions	(0.01)	(0.01)
Long term provisions	(0.62)	(0.84)
	(0.63)	(0.86)



* (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

	As at 31st March, 2021		As at 31st March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(0.43)	0.52	(0.38)	0.47
Future salary growth (1% movement) - Gratuity	0.52	(0.44)	0.48	(0.39)

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

(vii) Expected future cash flows

The expected maturity analysis is as follows :	For year ended 31.3.2021	For year ended 31.3.2020
Expected benefits for year 1	2.37	2.65
Expected benefits for year 2	2.37	2.27
Expected benefits for year 3	2.32	3.70
Expected benefits for year 4	4.27	4.11
Expected benefits for year 5	3.73	4.11
Expected benefits for year 6 and above	2.91	7.91

31 CAPITAL MANAGEMENT

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

Debt equity ratio

	As at March 31, 2021	As at March 31, 2020
Debt (includes non-current, current borrowings and current maturities of long term debt)	-	44.78
Less : cash and cash equivalents	18.30	8.58
Net debt	-	36.20
Total equity	417.52	304.01
Net debt to total equity ratio	0.00%	11.91%



22 RELATED PARTY DISCLOSURES

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

a) Relationship:

i. Holding Company

Chembond Chemicals Limited

ii. Fellow Subsidiary Companies:

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

iii. Key Management Personnel and their relatives (KMP)

Key Management Personnel:

Mr. Sameer V. Shah, Mr. Nirmal V. Shah

Relatives :

Mrs. Padma V. Shah, Mrs. Shilpa S. Shah, Mrs. Mamta N. Shah, Mrs. Alpana S. Shah, Mrs. Jyoti N. Mehta

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

CCL Opto Electronics Pvt Ltd., Finor Piplaj Chemicals Ltd., S and N Ventures Ltd., GTK Intermediates Pvt. Ltd., Visan Holdings Pvt. Ltd., and Oriano Clean Energy Pvt Ltd.

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

(₹. In lakhs)

Description of the nature of transactions	31.03.2021				31.03.2020			
	Holding	Fellow Subsidiary	KMP	Total	Holding	Fellow Subsidiary	KMP	Total
Sales of Goods	279.26	104.30	65.84	449.41	290.87	84.89	87.62	463.38
Chembond Water Technologies Ltd		65.06		65.06		82.24		82.24
Chembond Chemicals Ltd	279.26			279.26	290.87			290.87
Chembond Material Technologies Pvt Ltd		39.25		39.25		2.43		2.43
Finor Piplaj Chemicals Ltd.			65.84	65.84			87.62	87.62
Phiroze Sethna Pvt Ltd				0.00				-
Chembond Polymers & Materials Ltd				0.00		0.22		0.22
Purchase of Goods	21.75	0.89	94.37	95.26	26.63	1.42	109.71	111.13
Chembond Chemicals Ltd	21.75			21.75	26.63			26.63
Chembond Water Technologies Ltd		0.35		0.35		0.67		0.67
Chembond Material Technologies Pvt Ltd		0.54		0.54		0.75		0.75
Finor Piplaj Chemicals Ltd.			94.37	94.37			109.71	109.71
Chembond Polymers and Materials Ltd.				0.00				-
Interest Paid / Payable	2.76	4.65	-	4.65	-	1.39	-	1.39
Chembond Chemicals Ltd	2.76							
Chembond Clean Water Technologies Ltd		4.65		4.65		1.39		1.39
Loan Received	213.00	90.00	-	303.00	-	35.00	-	35.00
Chembond Clean Water Technologies Ltd		90		90.00		35.00		35.00
Chembond Chemicals Ltd	213			213.00				
Loan Repaid	213.00	125.00	-	338.00	-	-	-	-
Chembond Chemicals Ltd	213.00			213.00				
Chembond Clean Water Technologies Ltd		125.00		125.00				
Rental Expenses	0.24	-	-	0.24	0.24	-	-	0.24
Chembond Chemicals Ltd	0.24			0.24	0.24			0.24
Balance at the end of the year								
A. Sundry Debtors	125.23	29.12	19.93	174.29	51.48	1.86	0.92	54.26
Chembond Chemicals Ltd	125.23			125.23	51.48			51.48
Finor Piplaj Chemicals Ltd			19.93	19.93			0.92	0.92
Chembond Water Technologies Ltd		5.40		5.40				-
Chembond Material Technologies Pvt Ltd		23.72		23.72		1.59		1.59
Chembond Polymers & Materials Ltd				0.00		0.26		0.26
B. Sundry Creditors	34.96	0.22	56.78	91.97	3.94	0.80	18.55	23.29
Chembond Chemicals Ltd	34.96			34.96	3.94			3.94
Chembond Material Technologies Pvt Ltd		0.00		0.00		0.01		0.01
Chembond Water Technologies Ltd		0.00		0.00		0.79		0.79
Finor Piplaj Chemicals Ltd			56.78	56.78			18.55	18.55
Chembond Clean Water Technologies Ltd		0.22		0.22				
C. Loan received	0.00	0.00	0.00	0.00	-	36.25	-	36.25
Chembond Clean Water Technologies Ltd				0.00		36.25		36.25




		As at 31/03/2021	As at 31/03/2020
b Lease	The Company normally acquires offices, warehouses and vehicles under non-cancellable operational leases. Minimum		
		Total Minimum Lease Payment Outstanding as on 31/03/2021	Total Minimum Lease Payment Outstanding as on 31/03/2020
		(Rs. In lakhs)	(Rs. In lakhs)
	Due within one year	11.74	7.23
	Due later than one year and not later than five years	-	-
	Due later than five years	-	-
	Lease payments recognised in the Statement of Profit & Loss	7.23	5.50
33 EARNINGS PER SHARE		2020-2021	2019-2020
	Net Profit available to Equity Shareholders (Rs. In Lakhs)	113.58	103.35
	Total number of Equity Shares (Face value of Rs. 1/- each fully paid up)	500,000	500,000
	Weighted No. of Equity Shares	500,000	500,000
	Basic Earnings per Share (in Rupees)	22.72	20.67
	Diluted No. of Equity Shares	500,000	500,000
	Diluted Earnings per Share (in Rupees)	22.72	20.67
34 SEGMENT REPORTING	"The Company is engaged in the manufacture of Specialty Chemicals, which in the context of IND AS 108- Operating segment specified under section 133 of the Companies Act, 2013 is considered as a single business segment of the company.		
35 Contingent Liabilities not provided for are in respect of :			
	Particulars	As at 31/03/2021 (Rs. In lakhs)	As at 31/03/2020 (Rs. In lakhs)
	a. Income Tax - (TDS)	1.32	1.28
36 COVID-19 Assessment:	COVID-19 continues to impact normal business operations of the Company and the operating environment remains challenging with the emergence of second wave of COVID. Necessary precautions to ensure hygiene, safety, and wellbeing of all our employees at all plants have been implemented. The Company has considered the possible effects COVID-19 may have on the recoverability and carrying value of its assets comprising Property Plant and Equipment, Inventories and Trade Receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is continuously evolving giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone financials statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.		



- 37 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 38 Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 2021. Management is of the view that since the changes are applicable from April 1, 2021, those are applicable for the financial year commencing from April 1, 2021 and are applicable to Financial statements issued in respect of accounting years commencing on or after April 1st, 2021. Therefore, related disclosures are not considered in these financial statements for the year ended on March 31, 2021, although issued after April 1, 2021.
- 39 Previous year figures have been regrouped, reallocated and reclassified wherever necessary to confirm to current years classification and presentation.


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


Jatin A. Thakkar
Partner
Membership No. : 134767


Place : Mumbai.
Date: 01st May, 2021



For and on behalf of Board of Directors of
Chembond Distribution Limited
CIN: U24117MH2006PLC166227


Nirmal V. Shah
Director
DIN: 00083853

Place : Mumbai.
Date: 01st May, 2021


Sameer V. Shah
Director
DIN: 00105721

Place : Mumbai.
Date: 01st May, 2021

