

BOARDS' REPORT

To
The Members of
Chembond Polymers and Materials Limited

The Directors of your Company take pleasure in presenting the 14th Annual Report together with the Audited Financial Statements for the year ended 31st March, 2020.

FINANCIAL RESULTS

The financial performance of your Company for year 2019-20 & 2018-19 is as summarized below:

Particulars	Amount (₹ in Lakhs)	
	2019-20	2018-19
Revenue from operations	295.38	237.85
Profit for the year	(25.65)	20.00
Add: Balance as per last year	113.96	93.96
Total	88.31	113.96
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	88.31	113.96
Total	88.31	113.96

HIGHLIGHTS OF PERFORMANCE

The revenue from operations in F.Y.2019-20 was ₹ 295.38 lakhs compared to ₹ 237.85 lakhs in F.Y.2018-19. The loss in F.Y.2019-20 stood at ₹ 25.65 lakhs compared to Profit of ₹ 20.00 lakhs in F.Y.2018-19.

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

Considering the Company's existing business activities, 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 | :Nil |

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 as provided under sub-section (3) of Section 92 in form MGT-9 is annexed as Annexure 1 to this report.

NUMBER OF BOARD MEETINGS

During the year, four (4) Board Meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

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:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) 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.

CHANGES IN SHARE CAPITAL STRUCTURE

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

Company has facilitated the dematerialisation of the equity shares of the Company in coordination with National Securities Depository Limited (NSDL) and has appointed TSR Darashaw Consultants Private Limited (formerly TSR Darashaw Limited) as the Registrar and Share Transfer Agents (RTA) of the Company.



DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

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

Dr. Prakash D. Trivedi and Mr. Paresh N. Trivedi, Directors retires by rotation and being eligible offers himself for re-appointment at the ensuing AGM.

Due to the unprecedented Covid-19 pandemic and the subsequent lockdown the Directors have voluntarily decided to take deduction of 25% in their sitting fees and professional fees for 2020-21 or till further notice.

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.

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, 2020, 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.

CORPORATE SOCIAL RESPONSIBILITY

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



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.

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 2019-20 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.


PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN


The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & 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 has been 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 Polymers and Materials Limited


Paresh N. Trivedi
Managing Director
DIN: 02559529


Nirmal V. Shah
Director
DIN: 00083853



Mumbai
28th May 2020

ANNEXURE 1

**ANNEXURE TO THE BOARDS' REPORT
EXTRACT OF THE ANNUAL RETURN
as on the financial year ended 31.03.2020
[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	U24117MH2006PLC166224
Registration Date	14 th December, 2006
Name of the Company	Chembond Polymers and Materials 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, 6-10, Haji Moosa Patrawala Indl. Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai - 400 011. Contact Person : Ms. Madhuri Narang Tel: 022 - 6656 8484 Fax: 022 - 6656 8494 E-mail : csg-unit@tsrdarashaw.com Web : www.tsrdarashaw.com

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	Chemicals	2011	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	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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	0	5	5	0.0002	3	2	5	0.0002	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	0	2999995	2999995	99.9998	2999995	0	2999995	99.9998	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):-	0	3000000	3000000	100.00	2999998	2	3000000	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)	0	3000000	3000000	100.00	2999998	2	3000000	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)	0	3000000	3000000	100.00	2999998	2	3000000	100.00	0



(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of Shares Pledged/ encumbered to total shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Chembond Chemicals Limited	2999994	0	99.9998	2999994	99.9998	0	0
2	Mr. Sameer V. Shah Jointly Shilpa S. Shah*	1	0	0.00003	1	0.00003	0	0
3	Mr. Nirmal V. Shah Jointly Mamta N. Shah*	1	0	0.00003	1	0.00003	0	0
4	Mrs. Padma V. Shah*	1	0	0.00003	1	0.00003	0	0
5	Dr. Shilpa S. Shah Jointly Sameer V. Shah*	1	0	0.00003	1	0.00003	0	0
6	Mrs. Mamta N. Shah Jointly Nirmal V. Shah*	1	0	0.00003	1	0.00003	0	0
7	Finor Piplaj Chemicals Ltd.*	1	0	0.00003	1	0.00003	0	0
	Total	3000000	0	100.00	3000000	100.00	0	0

*Nominee shareholder 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 01.04.2018		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.		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
	For Each of the Top 10 Shareholders				
	At the beginning of the year	No Change during the year			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No Change during the year			
	At the End of the year (or on the date of separation, if separated during the year)	No Change during the year			

(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, 2019		Shareholding at the end of the year- 31 st March, 2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Nirmal V Shah	1	0.00003	1	0.00003
2	Mr. Sameer V Shah	1	0.00003	1	0.00003

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits (Rs in Lacs)	Unsecured Loans (Rs in Lacs)	Deposits (Rs in Lacs)	Total Indebtedness
Indebtedness at the beginning of the financial year	126.16	Nil	Nil	126.16
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	126.16	Nil	Nil	126.16
Change in Indebtedness during the financial year		Nil	Nil	24.22
<input type="checkbox"/> Addition	24.22			
<input type="checkbox"/> Reduction				
Net Change	24.22	Nil	Nil	24.22
Indebtedness at the end of the financial year	150.38	Nil	Nil	150.38
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	150.38	Nil	Nil	150.38



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Paresh Trivedi Managing Director	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	NA	NA
2.	Stock Option	NA	NA
3.	Sweat Equity	NA	NA
4.	Commission - as % of profit - others, specify ...	NA	NA
5.	Others, please specify	NA	NA
	Total (A)	NA	NA
	Ceiling as per the Act	NA	NA

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors Dr. Prakash Trivedi	Total Amount
	Independent Directors <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify	NA	NA
	Total (1)	NA	NA
	Other Non-Executive Directors <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify	0.38	NA
	Total (2)	0.38	NA
	Total (B)=(1+2)	0.38	NA
	Total Managerial Remuneration	NA	NA
	Overall Ceiling as per the Act	NA	NA




C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD


Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company	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 Polymers and Materials Limited


Paresh N. Trivedi
Managing Director
DIN: 02559529


Nirmal V. Shah
Director
DIN: 00083853



Mumbai
28th May, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of
Chembond Polymers and Materials Limited

Report on the Audit of the Financial Statements:**Opinion**

We have audited the financial statements of Chembond Polymers and Material Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, 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 2020, and loss 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 40 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 assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Bathiya & Associates LLP

202 - A, Harmony,
Court Naka, Station Road,
Thane (W) - 400 601.

T : 022 25300059 / 25420059
E : info@bathiya.com
bathiya.com



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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, 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.

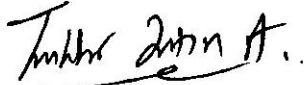


- ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amount required to be transferred to Investor Education and Protection Fund by the Company in accordance to the provision of the Act, and rules 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, 2020 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 : 28th May, 2020
UDIN : 20134767AAAAAQ9519

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, 2020)

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) As per the information and explanations given to us, the Company has not given loans, made investments, given guarantees and provided securities covered by provisions of Section 185 of the Act. Further, the unsecured loans given by the Company as reported in para (iii) above are in compliance with the provisions of section 186 of the Act.
- (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 income tax, profession tax, GST, sales tax, service tax 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, sales tax, customs duty which were in arrears, as at 31st March, 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, custom duty 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.)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	7,04,661	2008-09	Assistant Commissioner of Income Tax Mumbai - 15(1)(2), Mumbai
Income tax (TDS)	24	2017-18	Assistant commissioner of Income Tax, CPC-TDS
TOTAL	7,04,685		

- (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

Jatin A. Thakkar

Partner

Membership Number: 134767



Place: Mumbai

Date: 28th May, 2020

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, 2020)

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 Polymers and Material Limited ("the Company") as of 31st March, 2020 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 March 31, 2020, 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



Jatiff A. Thakkar

Partner

Membership No.: 134767



Place : Mumbai

Date : 28th May, 2020

Chembond Polymers and Material Limited
Balance Sheet as at 31st March 2020

	Notes	As at	As at
		31/03/2020	31/03/2019
		(Rs. In lakhs)	(Rs. In lakhs)
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	7.34	0.13
(b) Capital work-in-progress	3	7.50	1.50
(c) Financial Assets			
i) Investments	4	58.03	51.70
(d) Income tax asset (net)	5	3.13	2.76
Total Non - Current Assets		76.00	56.10
2 Current Assets			
(a) Inventories	6	125.13	147.23
(b) Financial Assets			
i) Investments	7	188.63	196.61
ii) Trade receivables	8	59.03	82.65
iii) Cash and cash equivalents	9	0.00	0.00
iv) Other bank balances	10	219.37	206.66
v) Other financial assets	11	1.28	0.75
(c) Current Tax (Net)	12	12.97	0.00
(d) Other current assets	13	8.79	19.01
Total Current Assets		615.21	652.91
Total Assets		691.21	709.01
II EQUITY AND LIABILITIES			
1 Equity			
(a) Share capital	14	30.00	30.00
(b) Other equity	15	483.04	509.27
Total Equity		513.04	539.27
2 Non-Current Liabilities			
(a) Provisions	16	0.59	0.44
(b) Deferred tax liabilities (Net)	17	2.18	1.00
Total Non - Current Liabilities		2.77	1.43
3 Current liabilities			
(a) Financial liabilities			
i) Borrowings	18	150.38	126.16
ii) Trade payables			
Trade payables -MSMED	19	0.68	2.65
Trade payables -Others	19	15.93	29.26
iii) Other financial liabilities	20	7.96	7.42
(b) Other current liabilities	21	0.44	0.87
(c) Provisions	22	0.01	1.94
Total Current Liabilities		175.40	168.31
Total Equity and Liabilities		691.21	709.01

Significant Accounting Policies and Notes on Financial Statements

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

Jatin A. Thakkar

Jatin A. Thakkar
Partner
Membership No. : 134767

Place : Mumbai
Date : 28th May, 2020



For and on behalf of Board of Directors of
Chembond Polymers and Materials Ltd.
CIN: U24117MH2006PLC166224

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

Nirmal V. Shah
Nirmal V. Shah
Director
DIN: 00083853

Paresh Trivedi
Paresh Trivedi
Director
DIN: 02559529

Place : Mumbai
Date : 28th May, 2020



Chembond Polymers and Material Limited
Statement of Profit and Loss for the year ended 31st March 2020

	Notes		
I Revenue From Operations	23	295.38	237.85
II Other Income	24	23.91	22.31
III Total Revenue (I+II)		319.29	260.16
IV Expenses :			
Cost of Materials Consumed	25	201.86	230.44
Purchases of Stock-in-trade	26	0.02	48.79
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	27	12.49	-95.25
Employee Benefits Expense	28	34.69	16.72
Finance Costs	29	10.79	2.00
Depreciation and Amortisation expense	30	0.34	0.00
Other Expenses	31	83.62	33.87
Total Expenses		343.81	236.57
V Profit before Exceptional items and Tax		-24.52	23.59
VI Exceptional Items			
VII Profit before Tax		-24.52	23.59
VIII Tax Expense			
Current Tax		0.00	3.94
Deferred Tax		1.13	-0.36
Total Tax Expense		1.13	3.58
IX Profit for the Year		-25.65	20.00
X Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss		-0.58	0.00
ii) Income Tax relating to items that will not be reclassified to profit or loss		0.00	0.00
2 i) Items that will be reclassified to profit or loss		0.00	0.00
ii) Income Tax relating to items that will be reclassified to profit or loss		0.00	0.00
Other Comprehensive Income (1+2)		-0.58	0.00
Total Comprehensive Income (IX+X)		-26.23	625.49
XI Earning Per Equity Share of Face Value of Rs. 5 each	37		
Basic (in Rs.)		-0.85	0.67
Diluted (in Rs.)		-0.85	0.67

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



Jatin A. Thakkar
Partner
Membership No. : 134767


Place : Mumbai
Date : 28th May, 2020



For and on behalf of Board of Directors of
Chembond Polymers and Materials Ltd.
CIN: U24117MH2006PLC166224


Sameer V. Shah
Director
DIN: 00105721


Nirmal V. Shah
Director
DIN: 00083853


Paresh Trivedi
Director
DIN: 02559529

Place : Mumbai
Date : 28th May, 2020



Chembond Polymer and Material Ltd
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

(a) Equity share capital

	No. of Shares	(Rs. In lakhs)
Balance as at 31st March 2018	10,00,000	10.00
Changes in equity share capital	20,00,000	20.00
Balance as at 31 March 2019	30,00,000	30
Changes in equity share capital	-	-
Balance as at 31 March 2020	30,00,000	30

(b) Other Equity

Particulars	Reserves and Surplus			OCI	Total other equity	
	General Reserve	Share Premium	Employees Shares Options Outstanding	Retained earnings		Remeasurements of the net defined benefit Plans
Balance as at 31st March 2018	-	67.50	-	93.96	-	161.46
Profit for the year				20.00		20.00
Other comprehensive income for the year						-
Total Comprehensive Income	-	-	-	20.00	-	20.00
Dividend Paid						-
Tax on Dividend Paid						-
Set off of Dividend Tax in respect of Dividend from Subsidiary Company						-
Premium on issue of Shares during the year		327.80				327.80
Balance as at 31st March 2019	-	395.30	-	113.96	-	509.26
Profit for the year				(25.65)		(25.65)
Other comprehensive income for the year					(0.58)	(0.58)
Total Comprehensive Income	-	-	-	(25.65)	(0.58)	(26.23)
Dividend Paid						-
Tax on Dividend Paid						-
Set off of Dividend Tax in respect of Dividend from Subsidiary Company						-
Balance as at 31st March 2020	-	395.30	-	88.31	(0.58)	483.03

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

Jatin A. Thakkar

Jatin A. Thakkar
Partner
Membership No. : 134767

Place : Mumbai
Date : 28th May, 2020



For and on behalf of Board of Directors of
Chembond Polymers and Materials Ltd.
CIN: U24117MH2006PLC166224

Sameer V. Shah

Sameer V. Shah
Director
DIN: 00105721

Place : Mumbai
Date : 28th May, 2020

Nirmal V Shah

Nirmal V Shah
Director
DIN: 00083853



Paresh Trivedi

Paresh Trivedi
Director
DIN: 02559529

CHEMBOND POLYMER AND MATERIAL LIMITED

CASH FLOW STATEMENT

(Rs. In Lakhs)

Particulars	March 2019-20	2018-2019
A Cash Flow from Operating Activities		
Profit before tax		(24.52)
Adjustments for :		
Depreciation and amortisation	0.34	
Interest on FD	-	
Finance Cost	10.79	2.00
Less :		
Profit on Sale of Property, Plant & Equipement	-	(0.47)
Profit on Sale of Investment	(9.20)	
Interest on Fixed Deposit	(14.71)	(8.24)
Dividend Received	-	(2.48)
Add:		
Loss on Sale of Investments	-	0.03
Operating Profit before working capital changes		(11.16)
Adjustments for :		
Trade and Other Receivables	31.46	(159.46)
Inventories	22.10	(147.24)
Trade and Other Payables	(17.50)	12.42
		36.07
Cash generated from operations		-1.24
Income taxes paid (Net of Refund)		(11.50)
Short/(Excess) Provision		-
Net Cash from Operating Activities (A)		-12.74
B Cash Flow from Investing Activities		
Payment to acquire Property, plant & equipments		(7.54)
Proceeds from Sale of Property, plant & equipments		-
Purchase of Investment	(101.83)	-
Sale of Investment	103.48	-
Dividend Income	-	2.48
Loss on sale of investment	-	(0.03)
Capital WIP	(6.00)	(1.50)
Profit on sale of investment	9.20	-
Interest on Fixed Deposit	14.71	8.24
Net Cash used in Investing Activities (B)		12.02
C Cash Flow from Financing Activities		
(Repayment) of Short Term Borrowings		(385.62)
Proceeds of short term borrowings		409.84
Issue of Share Capital		-
Dividend paid		-
Tax on dividend paid		-
Finance Cost		(10.79)
Borrowings - Overdraft		-
Net Cash from Financing Activities (C)		13.43
Net (Decrease)/Increase in Cash & Cash Activities (A+B+C)		12.71
Cash and Cash Equivalents and Other Bank Balances as on Opening		206.66
Cash and Cash Equivalents and Other Bank Balances as on Closing (Refer Note 10.11)		219.37

As per our attached report of even date
 For Bathiya & Associates LLP
 Chartered Accountants
 FRN - 101046WW100063

For and on behalf of Board of Directors of
 Chembond Polymers and Materials Ltd.
 CIN: U24117MH2006PLC166224

Jatin A. Thakkar

Jatin A. Thakkar
 Partner
 Membership No. : 134767

Sameer V. Shah

Sameer V. Shah
 Director
 DIN: 00105721

Nirmal V. Shah

Nirmal V. Shah
 Director
 DIN: 00083853

P. N. Trivedi

P. N. Trivedi
 Director
 DIN: 02559529

Place : Mumbai
 Date : 28th May, 2020



Place : Mumbai
 Date : 28th May, 2020



NOTE 1 - COMPANY OVERVIEW

Chembond Polymers and Materials Ltd. is a subsidiary of Chembond Chemicals Ltd
Chembond Enzyme company Ltd ("the Company") is carrying on the business of manufacturing specialty polymers and engineering plastics using bio-based materials.
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, 2020 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, 2019. 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

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

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

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

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
- e. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- f. Fair value of financial instruments



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 atleast 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 atleast 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.

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

An item of PPE and any significant part initially recognised is 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

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 service tax / goods and service tax on behalf of the government and therefore it is not an economic benefit flowing to the company. Hence it is excluded from the revenue.

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 :

(a) 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.

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 Segment Reporting

The company has determined that it operates in a single line of business viz. Formulation and application of Enzymes and also in a single geographic environment i.e. within India. Therefore the information required by the Ind AS 108 on segment reporting is not applicable to the company.

R 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 2020

(Rs. In lakhs)

Description	GROSS BLOCK (AT COST)			DEPRECIATION INCLUDING AMORTISATION				NET BLOCK		
	As at 1.04.2019	Additions	Deductions	As at 31.03.2020	As at 1.04.2019	Additions	Deductions	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
Property, plant and equipment										
Tangible Assets										
Factory Equipment	-	0.10	-	0.10	-	0.00	-	0.00	0.09	-
Equipment & Machinery*	-	7.23	-	7.23	-	0.24	-	0.24	6.99	-
Computer Hardware	0.14	0.21	-	0.35	(0.00)	0.09	-	0.09	0.26	0.13
Total	0.14	7.54	-	7.67	(0.00)	0.34	-	0.33	7.34	0.13
Previous Year	-	0.14	-	0.14	-	0.00	-	0.00	0.13	0.14



		As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
4	Financial Assets (Non-Current)		
a.	Investments		
	Investments in Gilt fund carried at fair value through Profit and Loss		
	Quoted		
	81022.3890 Units (P.Y 81022.3890 Unit) Investment in ICICI Prudential Gilt Fund	58.03	51.70
	Total	58.03	51.70
		As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
5	Income tax asset (net)		
	Income Tax (Net of Provision)	3.13	2.76
	Total	3.13	2.76
		As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
6	Inventories (At lower of Cost and Net Realisable Value)		
	Raw Material	41.24	50.96
	Packing Material	0.94	1.03
	Finished Goods	82.95	95.24
	Total	125.13	147.23
		As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
7	Investments (Current)		
	263296.473 Units (P.Y Nil) ICICI Prudential Liquid- Balanced Advantage Fund	80.49	0.00
	36.971.708 Units (P.Y 71386.9770) ICICI Prudential Liquid- Regular Plan-Growth	108.14	196.61
	Total	188.63	196.61
		As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
8	TRADE RECEIVABLES (Unsecured)		
	Unsecured Considered Good	59.03	82.65
a	For Related party transactions Refer Note No.35	59.03	82.65
	Total	59.03	82.65
		As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
9	CASH AND CASH EQUIVALENTS		
	Balances with banks		
	In Current Accounts	0.00	0.00
	Cash on hand	0.00	0.00
	Total	0.00	0.00
		As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
10	OTHER BANK BALANCES		
	Fixed Deposits (Including deposits with original maturity of more than 3 months)	219.37	206.66
	Total	219.37	206.66
		As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
11	OTHER FINANCIAL ASSETS (Unsecured & considered good)		
	Security Deposits		
	Accrued Interest on fixed deposit	1.28	0.75
	Total	1.28	0.75
		As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
12	Current Tax (Net)		
	Current Tax (Net)	12.97	-
	Total	12.97	-



13	Other Current Assets	31/03/2020	31/03/2019
		(Rs. In lakhs)	(Rs. In lakhs)
	Prepaid expenses	0.29	0.00
	Balances with government authorities	8.50	19.01
	Total	8.79	19.01
14	SHARE CAPITAL	As at	As at
		31/03/2020	31/03/2019
		(Rs. In lakhs)	(Rs. In lakhs)
	Authorised		
	50,00,000 (50,00,000 Previous Year) Equity Shares of Re. 1/- each	50.00	50.00
	Issued, Subscribed and Paid up		
	30,00,000 (30,00,000 Previous Year) Equity Shares of Re.1/- each Fully Paid	30.00	30.00
	Total	30.00	30.00
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	30,00,000	10,00,000
	Additions during the year	0.00	20,00,000
	Deductions during the year	0.00	0.00
	Number of shares outstanding at the end of the year	30,00,000	30,00,000
b	Details of Shareholders holding more than 5% Shares		
	Name of the Shareholder	As at 31/3/2020	As at 31/3/2019
		No of Shares	No of Shares
	Chembond Chemicals Ltd and It's Nominees	30,00,000	30,00,000
	% held	100%	100%
15	OTHER EQUITY	As at 31/3/2020	As at 31/3/2019
		(Rs. In lakhs)	(Rs. In lakhs)
	Securities Premium		
	As per last year	395.30	67.50
	Add: Premium		327.80
		395.30	395.30
	Retained Earnings		
	As per last year	113.97	93.96
	Add: Profit / Loss for the Year	-25.65	20.00
		88.32	113.97
	Less: Appropriations		
	Transferred to General Reserve		
	other Comprehensive Income /(Loss) for the year		
		88.32	113.97
	Other Comprehensive Income (OCI)		
	Remeasurements of the net defined benefit Plans		
	As per last year	0.00	
	Movement During the Year	(0.58)	
		(0.58)	-
	Total	483.04	509.27
16	Provisions- Non Current	As at	As at
		31/03/2020	31/03/2019
		(Rs. In lakhs)	(Rs. In lakhs)
	Provision for Gratuity	0.59	0.44
	Total	0.59	0.44
17	DEFERRED TAX LIABILITY (NET)	As at	As at
		31/03/2020	31/03/2019
		(Rs. In lakhs)	(Rs. In lakhs)
	Deferred tax Liability		
	Investments	1.88	1.36
	Depreciation	0.69	0.01
		2.57	1.37
	Deferred tax Asset		
	Gratuity		
	MAT Credit	(0.39)	(0.38)
		(0.39)	(0.38)
	Net Deferred Tax Liability	2.18	1.00



18	CURRENT BORROWINGS (Repayable on demand)	As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
	Secured		
	Over Draft Facilities from Banks	150.38	126.16
	Total	150.38	126.16
19	TRADE PAYABLES	As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
	Micro, Small and Medium Enterprises	0.68	2.65
	Others	15.93	29.26
	Total	16.61	31.91
a	For Related party transaction Refer Note No.35		
20	OTHER CURRENT Financial LIABILITIES	As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
	Other Payables	6.14	6.99
	Creditors for Capital Expenditure	1.81	0.43
	Total	7.96	7.42
21	OTHER CURRENT LIABILITIES	As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
	Other payable	0.44	0.87
	Total	0.44	0.87
22	SHORT-TERM PROVISIONS	As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
	Provision for Gratuity	0.01	1.94
	Provision for Current Tax (Net of Advance Tax)		1.94
	Total	0.01	1.94
23	REVENUE FROM OPERATIONS	2019-2020 (Rs. In lakhs)	2018-2019 (Rs. In lakhs)
	Sales	295.38	237.85
	Less Excise Duty		
	Net Sales	295.38	237.85
	Total	295.38	237.85
	Total	295.38	237.85
24	OTHER INCOME	2019-2020 (Rs. In lakhs)	2018-2019 (Rs. In lakhs)
	Dividend from Mutual Funds	-	2.48
	Profit from Sale of Mutual Funds		2.48
	Profit on Sale of Equity Investments	9.20	0.47
	Unrealised gain/ fair valuation of investments	0.00	9.51
	Miscellaneous Income		1.52
	Fair value of Investments		0.09
	Technical service Income	14.71	8.24
	Interest on Fixed Deposit		
	Total	23.91	22.31
25	COST OF MATERIALS CONSUMED	2019-2020 (Rs. In lakhs)	2018-2019 (Rs. In lakhs)
	Particulars of Raw Materials Consumed		
	Raw Materials Consumed	208.41	130.12
	Packing Material	4.66	2.79
	Total	213.07	132.91
26	PURCHASE OF STOCK-IN-TRADE	2019-2020 (Rs. In lakhs)	2018-2019 (Rs. In lakhs)
	Purchases of Stock-in-trade	0.02	48.79
	Total	0.02	48.79



	2019-2020 (Rs. In lakhs)	2018-2019 (Rs. In lakhs)
27 CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS AND TRADED GOODS		
Finished products/ Stock in Trade (At Close)	82.75	95.25
Finished products/ Stock in Trade (At commencement)	95.25	0.00
Total	12.49	(95.25)
28 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	34.45	16.17
Gratuity	-0.06	0.44
Staff Welfare Expenses	0.30	0.11
Total	34.69	16.72
29 FINANCE COST		
Interest Expense		
- Banks	10.78	2.00
Bank Guarantee fees & charges	0.01	0.00
Total	10.79	2.00
30 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation and Amortisation Expenses	0.34	0.00
Total	0.34	0.00
31 OTHER EXPENSES		
MANUFACTURING EXPENSES		
Power, Fuel & Water Charges	0.00	1.33
Research and Development	13.25	0.00
Labour Charges	0.00	3.23
A	13.25	4.56
ADMINISTRATIVE EXPENSES		
Rates & Taxes	0.00	0.00
Printing and stationary	0.04	0.07
Auditors Remuneration	0.87	0.79
Legal, Professional & consultancy fees	40.31	20.89
Miscellaneous expenses	6.92	2.24
Sales Tax & Other Taxes	0.00	0.03
Unrealised Loss on FV of Investments	10.85	0.00
Loss on Sale of Investments	0.00	0.03
Bad Debts Written Off	0.25	0.00
B	59.24	24.04
SELLING AND DISTRIBUTION EXPENSES		
Carriage outwards	5.43	3.65
Rent	0.42	0.42
Conveyance expenses	4.15	1.03
Advertising & Publicity Expenses	0.52	0.15
Sales Promotion Expenses	0.61	0.02
C	11.14	5.26
(A+B+C)	83.62	33.87
LESS :Reimbursement of expenses		
Total	83.62	33.87
a Auditor's Remuneration consists of:		
Statutory Audit Fees	0.53	0.47
Tax Audit Fees	0.21	0.20
Taxation and Other Matters	0.13	0.12
Total	0.87	0.79



32 Tax Reconciliation

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

Particulars	2019-20	2018-2019
Current Income Tax	0.00	3.94
Deferred Tax Expense	1.13	-0.36
Tax expense for the year	1.13	3.58
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax Rate		
Profit before income tax expense	-24.52	23.59
Indian statutory income tax rate (MAT)	0.26	0.26
Expected Income Tax expenses	0.00	6.13
Part A		
Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
Income exempt from income taxes		-0.64
Additional allowances/deduction		
MAT Credit Entitlement		0.38
Others		-1.8
Short/Excess Provision for earlier years		-0.12
Capital gain	0.00	
Current Tax (A)	0.00	3.94
Part B		
Deferred Tax Effect at the rate of:	0.29	0.233
Opening DTL	1.00	1.35
Depreciation	0.69	0.01
Investment at Fair Value	1.88	1.36
	1.58	0.02
Less:		
Short/Excess provision of IT for earlier year	0.05	
MAT Credit	0.39	0.38
Deferred Tax (B)	1.13	-0.36
Tax Expense (A+B)	1.13	3.58



33 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

	As at 31 March 2020							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents (Including other bank balances)			219.37	219.37				-
Investments								
- Mutual Funds(Quoted)	246.66			246.66	246.66			246.66
Trade and other receivables			59.03	59.03				-
Loans			-	-				-
Other financial assets			1.28	1.28				-
TOTAL	246.66	-	279.69	526.35	246.66	-	-	246.66
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)				-				-
Short term borrowings			150.38	150.38				-
Trade and other payables			16.61	16.61				-
Other financial liabilities			7.96	7.96				-
TOTAL	-	-	174.95	174.95	-	-	-	-

	As at 31 March 2019							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents (Including other bank balances)			206.66	206.66				-
Investments								
- Mutual Funds	248.32			248.32	248.32			248.32
Trade and other receivables			82.65	82.65				-
Loans			-	-				-
Other financial assets			0.75	0.75				-
TOTAL	248.32	-	290.06	538.38	248.32	-	-	248.32
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)				-				-
Short term borrowings			126.16	126.16				-
Trade and other payables			31.91	31.91				-
Other financial liabilities			7.42	7.42				-
TOTAL	-	-	165.50	165.50	-	-	-	-

C. Financial risk management

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

i. Risk management framework

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

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

ii. Credit risk

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

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

Trade and other receivables

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

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

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

Cash and cash equivalents

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

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

iii. Liquidity risk

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

iv. Market risk

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

V. Interest rate risk

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



34 Employee Benefit obligations

(A) Defined Benefit Plan

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

	As at 31 March 2020	As at 31 March 2019
	(Funded plan)	
(i) Change in Defined Benefit Obligation		
Opening defined benefit obligation		
Amount recognised in profit and loss	0.37	
Current service cost		
Interest cost		
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:		
Return on Plan Assets	0.59	
Financial assumptions		
Other		
Benefits paid		
Closing defined benefit obligation	0.96	-
(ii) Change in Fair Value of Assets		
Opening fair value of plan assets	-	
Amount recognised in profit and loss		
Interest income		
Amount recognised in other comprehensive income		
Actuarial gain / (loss)	0.01	
Return on Plan Assets, Excluding Interest Income		
Other		
Contributions by employer	0.35	
Benefits paid		
Closing fair value of plan assets	0.36	-
Actual return on Plan Assets	0.01	
(iii) Plan assets comprise the following		
Insurance fund (100%)	Unquoted 0.36	Unquoted 0.00
(iv) Principal actuarial assumptions used		
Discount rate	%	%
Withdrawal Rate	6.75	-
Future Salary Increase	1.00	-
	5.00	-
(v) Amount recognised in the Balance Sheet	As at 31st March, 2020	As at 31st March, 2019
Present value of obligations as at year end	0.96	-
Fair value of plan assets as at year end	(0.36)	-
Net (asset) / liability recognised as at year end	0.60	-
Recognised under :		
Short term provisions	0.01	-
Long term provisions	0.59	-
	0.60	-

(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, 2020		As at 31st March, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(0.15)	0.18	-	-
Future salary growth (1% movement) - Gratuity	0.19	(0.15)	-	-

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 31.3.2020	For year ended 31.3.2019
Expected benefits for year 1	3.53	-
Expected benefits for year 2	3.82	-
Expected benefits for year 3	1.78	-
Expected benefits for year 4	2.15	-
Expected benefits for year 5	2.15	-
Expected benefits for year 6 and above	8.23	-



35 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	As at
	31st March, 2020	31st March, 2019
Debt (includes non-current, current borrowings and current maturities of long term debt)	150.38	126.16
Less : cash and cash equivalents	0.00	0.00
Net debt	150.38	126.16
Total equity	513.04	539.27
Net debt to total equity ratio	29.31%	23.40%

36 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 Subsidiaries:

Chembond Water Technologies Ltd., Chembond Material Technologies Pvt Ltd (formerly Protochem Industries Pvt. Ltd.), Chembond Clean Water Technologies Ltd, Chembond Biosciences Ltd. (formerly Chembond Industrial Coatings Ltd), Chembond Calvatis Industrial Hygiene Systems Ltd., Phiroze Sethna Pvt Ltd

iii. Key Management Personnel and their relatives (KMP)

Sameer V. Shah, Nirmal V. Shah, Paresh Trivedi

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, Chembond Distribution Ltd.

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

(₹. In lakhs)

For the year ended / as on	31.03.2020				31.03.2019			
	Holding	Fellow Subsidiaries	KMP	Total	Holding	Fellow Subsidiaries	KMP	Total
Sales of Goods	0.53	0.00	0.00	0.53	0.00	2.12	0.00	0.00
Chembond Distribution Ltd						2.12		
Chembond Chemicals Ltd	0.53			0.53				-
Purchase of Goods	0.25	0.35	0.00	0.61	84.15	0.00	0.00	84.15
Chembond Chemicals Ltd	0.25			0.25	84.15			84.15
Chembond Material Technologies Pvt Ltd		0.10		0.10				-
Chembond Distribution Ltd		0.25		0.25				-
Purchase of Fixed Assets	0.21	0.00	0.00	0.21	0.03	0.00	0.00	0.03
Chembond Chemicals Ltd	0.21			0.21	0.03			0.03
Rental Expenses	0.42	0.00	0.00	0.42	0.42	0.00	0.00	0.42
Chembond Chemicals Ltd	0.42			0.42	0.42			0.42
Director Sitting Fees	0.00	0.00	0.38	0.38	0.00	0.00	0.00	0.00
Dr.Prakash Trivedi			0.38	0.38				-
Consultancy fees	0.00	0.00	7.10	7.10	0.00	0.00	0.00	0.00
Dr.Prakash Trivedi			7.10	7.10				-
Balance at the end of the year				-				-
A. Sundry Debtors	0.32	0.00	0.55	0.87	30.00	0.00	0.00	30.00
Chembond Chemicals Ltd	0.32			0.32	30.00			30.00
Dr.Prakash Trivedi			0.55	0.55				-
B. Sundry Creditors	0.00	0.26	0.00	0.26	0.24	0.00	0.04	0.28
Chembond Material Technologies Pvt Ltd				-			0.04	0.04
Chembond Chemicals Ltd	0.00			-	0.24			0.24
Chembond Distribution Ltd		0.26		0.26				-



37 EARNINGS PER SHARE

	2019-2020	2018-2019
Net Profit available to Equity Shareholders (Rs. In Lakhs)	-25.65	20.00
Total number of Equity Shares (Face value of Rs. 1/- each fully paid up)	30,00,000.00	30,00,000.00
Weighted No. of Equity Shares	30,00,000.00	30,00,000.00
Basic Earnings per Share (in Rupees)	(0.85)	0.67
Diluted No. of Equity Shares	30,00,000.00	30,00,000.00
Diluted Earnings per Share (in Rupees)	(0.85)	0.67

38 SEGMENT REPORTING

The Company has determined that it operates in a single business segment, namely "Formulation and Application of Enzymes" and also in a single geographical environment i.e. within India. Therefore the information pursuant to the Ind As 108 - "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

39 Contingent Liabilities not provided for are in respect of :

Particulars	As at 31/03/2020	As at 31/03/2019
	(Rs. In lakhs)	(Rs. In lakhs)
a. Income Tax matter		
AY 2018-19 (TDS)	0.00	0.00
AY 2009-10	7.05	7.05

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COVID-19 Assessment:

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business globally. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc. in several states followed by a nationwide lockdown announced by the Indian Government, to stem the spread of COVID-19. This has impacted normal business operations of the Company. Manufacturing, supply chain, cashflows etc. have been disrupted. The plant of the Company was shut down on 23rd March, 2020 only to restart at considerably lower productivity during the month of April & May 2020 in a phased manner. We have implemented the necessary precaution measures to ensure hygiene, safety and wellbeing of all our employees at the plant. 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, Investments, Inventories and Trade Receivables. Based on current indicators of future economic conditions the Company expects to recover the carrying amount of these assets and there is no significant impact on its financial statements as on 31st March, 2020. The situation is changing rapidly 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 financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

41 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 : 28th May, 2020



For and on behalf of Board of Directors of
Chembond Polymers and Materials Ltd.
CIN: U24117MH2006PLC166224



Sameer V. Shah
Director
DIN: 00105721



Nirmal V. Shah
Director
DIN: 00083853



Paresh Trivedi
Director
DIN: 02559529

Place : Mumbai
Date : 28th May, 2020

