

## BOARDS' REPORT

To  
The Members of,  
Phiroze Sethna Private Limited

The Directors of the Company take pleasure in presenting the 44<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> 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
Net Sales	1742.73	2280.67
Profit for the year	(206.99)	74.36
Add: Balance as per last year	731.49	681.05
<b>Total</b>	<b>524.50</b>	<b>755.41</b>
<b>Appropriation</b>		
Capital Redemption Reserve	0.05	0.05
General Reserves	514.40	514.40
Other Comprehensive Income	57.20	(29.57)
Tax Effect on Other Comprehensive Income	-	5.64
Interim Dividend	25.00	0
Proposed Dividend	-	-
Tax on Proposed Dividend	(5.14)	-
Balance carried to Balance Sheet	1071.15	1245.93

### HIGHLIGHTS OF PERFORMANCE

The total revenue for FY 2019-20 decreased to ₹ 1742.73 lakhs from ₹ 2280.67 lakhs in FY 2018-19. The loss for the year was ₹ 206.99 lakhs compared to profit of ₹ 74.37 lakhs in FY 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.

### AMOUNTS, IF ANY, WHICH IT PROPOSES TO CARRY TO RESERVES

The Company has not transferred any amount (previous year - Nil) for the current financial year to General Reserve.

### DIVIDEND

During the year 2019-2020, the Company declared an interim dividend of ₹ 625/- per equity share aggregating to ₹ 25 lakhs.

The Board of Directors has not recommended any final dividend (previous year Nil) for the financial year ended 31<sup>st</sup> March 2019.



## 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	:	₹ 101.22 lakhs

## PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration exceeding the limits prescribed under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## EXTRACT OF 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 herewith as Annexure 1.

## NUMBER OF BOARD MEETINGS

During the year, Six (6) Board Meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## SHARE CAPITAL

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). KFin Technologies Private Limited (formerly Karvy Fintech Private Limited) are the Registrar and Share Transfer Agents (RTA) of the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- 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;
- the Directors had prepared the annual accounts on a going concern basis;
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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



## **DIRECTORS OR KEY MANAGERIAL PERSONNEL**

During the year, Mr. Sharad K. Wagle & Mr. Aspi P. Godrej, Whole-time Directors of the Company discontinued to act as Whole-time Director and were re-designated as Non-Executive Director of the Company with effect from 1<sup>st</sup> June, 2019.

Mr. Mahendra K. Ghelani, Mr. Nirmal V. Shah and Mr. Sameer V. Shah, Directors retire by rotation and being eligible offers themselves for re-appointment at the ensuing Annual General Meeting.

## **REMUNERATION TO MANAGING DIRECTORS**

During the financial year 2019-20, Mr. Sharad K. Wagle and Mr. Aspi P. Godrej Whole-time Directors were paid remuneration of ₹ 4.10 lakhs and ₹ 3.75 lakhs respectively and they were also paid consultancy fees ₹ 30.65 lakhs and ₹ 24.03 lakhs respectively.

## **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:

The Company has repaid all deposits and no deposits are remaining unpaid or unclaimed as at that date.

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 in the repayment of deposits or payment of interest thereon.

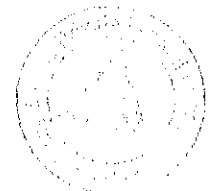
Details of deposits which are not in compliance with the requirements of chapter v of the act:  
The Company has not received any deposit during the year under review.

## **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 31<sup>st</sup> 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.



**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 are very minimal.

**DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR**  
Corporate Social Responsibility as stated in Section 135 of Companies Act, 2013 is not applicable to your Company.

**AUDITORS**

The Statutory Auditors of the Company - M/s. Kastury & Talati, Chartered Accountants - appointed at the 42<sup>nd</sup> Annual General Meeting (AGM) of the Company held on 9<sup>th</sup> August, 2018, hold office till the conclusion of 47<sup>th</sup> AGM of the Company to be held in the FY 2023.

**SUBSIDIARY COMPANY**

Gramos Chemicals India Private Limited is the Wholly-owned Subsidiary (WOS) of your Company. The statement containing salient features of the financial statement of subsidiary company is annexed as Annexure 2 to this report. The financials of the WOS are not consolidated with the financial of your Company, however they are consolidated with the financials of ultimate holding company of your Company i.e. Chembond Chemicals Limited. Company has proposed to obtain consent from shareholders of the Company for not consolidating financials of GCIL with the Company instead be consolidated with the ultimate holding Company Chembond Chemicals Limited.

**RELATED PARTY TRANSACTIONS**

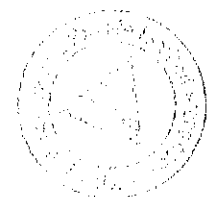
All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Indian Accounting Standards (Ind AS - 24) has been made in the notes to the Financial Statements.

**CHANGE IN MANAGEMENT AND CONTROL OF THE COMPANY**

There was no change in the management and control of the Company during the year under review.

**POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

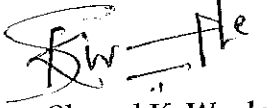
Company has adopted the Policy for prevention of Sexual Harassment of Women at Workplace as required under the Act. During the year no complaints were received.



## ACKNOWLEDGEMENTS

Your Board takes this opportunity to express its gratitude to the customers, vendors, shareholders, and bankers for their assistance and co-operation during the year. Your Directors also place on record their sincere appreciation of the contribution of its employees for their competence, hard work, and cooperation.

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



**Sharad K. Wagle**  
Director  
DIN:00371023



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



Mumbai  
28<sup>th</sup> 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	U25209MH1975PTC018396
Registration Date	24 <sup>th</sup> June, 1975
Name of the Company	Phiroze Sethna Private Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and Contact details	Royal Insurance Building, First Floor, 14, Jamshedji Tata Road, Mumbai, Maharashtra - 400020
Whether listed Company	No
Name, address and contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited (formerly Karvy Fintech Private Limited). 7th Floor, 701, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Off Bandra Kurla Complex Bandra East, Mumbai - 400 051 Ph: (022) 6149 1635

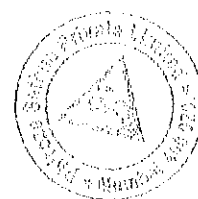
**II. Principal Business Activities of the Company**

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	Manufacturing of Chemicals & Chemical products	Division: 20 Group: 202	100

**III. Particulars of Holding and Subsidiary Companies -**

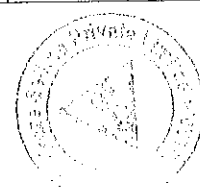
Sr. No.	Name and address of the Company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1	Chembond Chemicals Limited Chembond Centre, EL-71, MIDC, Mahape, Navi Mumbai - 400710	L24100MH1975PLC018235	Holding Company	100 %	2(46)
2	Gramos Chemicals India Private Limited W-268 TTC Industrial Area, Village Rabale, Navi Mumbai -400710	U99999MH985PTC035486	Subsidiary Company	100%	2(87)



IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	0	5	5	0.13	5	0	5	0.13	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	3000	995	3995	99.87	3995	0	3995	99.87	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other - Trust	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>3000</b>	<b>1000</b>	<b>4000</b>	<b>100</b>	<b>4000</b>	<b>0</b>	<b>4000</b>	<b>100</b>	<b>0</b>
<b>(2) Foreign</b>									
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
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3000</b>	<b>1000</b>	<b>4000</b>	<b>100</b>	<b>4000</b>	<b>0</b>	<b>4000</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
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)	3000	1000	4000	100	4000	0	4000	100	0

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% 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	3994	0	99.85	3994	99.85	0	0
2	Sameer V. Shah Jtly with Shilpa S. Shah*	1	0	0.025	1	0.025	0	0
3	Shilpa S. Shah Jtly with Sameer V. Shah*	1	0	0.025	1	0.025	0	0
4	Nirmal V. Shah Jtly with Mamta N. Shah*	1	0	0.025	1	0.025	0	0
5	Mamta V. Shah Jtly with Nirmal V. Shah*	1	0	0.025	1	0.025	0	0
7	Padma V. Shah*	1	0	0.025	1	0.025	0	0
8	Finor Piplaj Chemicals Limited*	1	0	0.025	1	0.025	0	0
	Total	4000	0	100.00	4000	100.00	0	0

\*Nominee shareholder of Chembond Chemicals Limited

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

Sr. No.		Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
		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 Shareholding 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

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No Change during the year			
	Date wise Increase / Decrease in Shareholding 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 <sup>st</sup> April, 2019		Shareholding at the end of the year- 31 <sup>st</sup> March, 2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sameer V Shah Jtly with Shilpa S. Shah*	1	0.025	1	0.025
2	Nirmal V. Shah Jtly with Mamta Shah*	1	0.025	1	0.025

\*Nominee shareholder of Chembond Chemicals Limited.

#### V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits (Overdraft Facility from Bank)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	9.58	Nil	Nil	9.58
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	9.58	Nil	Nil	9.58



Change in Indebtedness during the financial year				
Addition	8.66	Nil	Nil	8.66
Reduction	Nil		Nil	Nil
Net Change	8.66	Nil	Nil	8.66
Indebtedness at the end of the financial year				
i) Principal Amount	18.24	Nil	Nil	18.24
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	18.24	Nil	Nil	18.24

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Sharad Wagle (WTD)*	Aspi Godrej (WTD)*	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	4.10	3.75	7.85
2.	Stock Option	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.
4.	Commission - as % of profit, others, specify...	-	-	-
5.	Consultancy Fees	30.65	24.03	54.68
	<b>Total (A)</b>	<b>34.75</b>	<b>27.78</b>	<b>62.53</b>
	Ceiling as per the Act	10 % of Net Profit		

\* Discontinued to act as WTD and they are designated as Non-Executive Director of the Company with effect from 1<sup>st</sup> June, 2019.

### B. Remuneration to other Directors:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Sharad Wagle	Aspi Godrej	Mahendra Ghelani	Sameer Shah	Nirmal Shah	Perviz Batliwala	Rashmi Gavli
	Independent Directors Fee for attending board / committee meetings Commission, Others, please specify	NA	NA	NA	NA	NA	NA	NA
	Total (1)	NA	NA	NA	NA	NA	NA	NA
	Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	Nil -- --	Nil -- --	0.05 -- --	Nil -- --	Nil -- --	0.02 -- --	Nil -- --
	Total (2)	Nil	Nil	0.05	Nil	Nil	0.02	Nil
	<b>Total (B) = (1+2)</b>	<b>Nil</b>	<b>Nil</b>	<b>0.05</b>	<b>Nil</b>	<b>Nil</b>	<b>0.02</b>	<b>Nil</b>
	Total Managerial Remuneration (A+B)	34.75	27.78	0.05	NA	NA	0.02	NA
	Overall Ceiling as per the Act	11% of Net Profits						



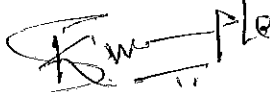
**B. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	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  
Phiroze Sethna Private Limited



Sharad K. Wagle  
Director  
DIN: 00371023



Sameer V. Shah  
Director  
DIN: 00105721



Place: Mumbai  
Date: 28<sup>th</sup> May, 2020

**INDEPENDENT AUDITORS' REPORT ON ANNUAL STANDALONE FINANCIAL RESULTS OF PHIROZE SETHNA PRIVATE LIMITED FOR THE QUARTER AND YEAR ENDED 31<sup>st</sup> MARCH, 2020 PURSUANT TO THE REGULATION 52 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

To  
The Board of Directors,  
Phiroze Sethna Private Limited

**Report on the audit of Standalone Financial Results**

**1. Opinion**

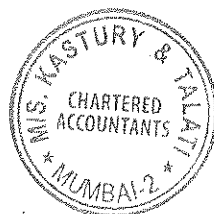
We have audited the annual standalone financial results of PHIROZE SETHNA PRIVATE LIMITED ("the Company") for the quarter and year ended 31<sup>st</sup> March, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us these annual standalone financial results,

- (i) are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter and year ended 31 March 2020.

**2. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### 3. Emphasis of Matter

We draw attention to note no 4 of the standalone financial results, which describes the extent to which the COVID -19 pandemic will impact the Company's results will depend on future developments, which being highly uncertain, the said note narrates management's proposed future actions based on its assessment of internal and external factors and macro level developments. Our opinion is not modified in respect of this matter.

### 4. Management's Responsibility for the Standalone Financial Results.

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

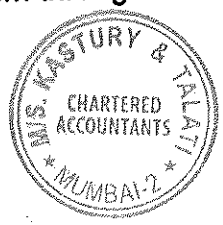
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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

### 5. Auditor's Responsibility for the audit of the Standalone Financial Results.

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

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



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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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




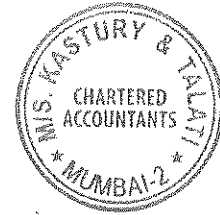
## 6. Other Matters

Attention is drawn to the fact that the figures for the quarter ended 31<sup>st</sup> March, 2020 and the corresponding quarter ended in the previous year as reported in these annual standalone financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

Place: Mumbai  
Date : 28.05.2020.

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

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



20041867AAAAA

# **INDEPENDENT AUDITOR'S REPORT**

To the Members of

**Phiroze Sethna Private Limited**

## **1. Opinion**

We have audited the accompanying financial statements of **Phiroze Sethna Private Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Statement of Changes in equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

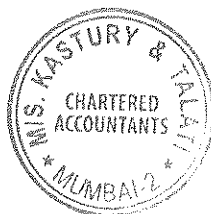
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Loss, Changes in equity and its Cash Flows for the year ended on that date.

## **2. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Results.

## **3. Emphasis of Matter**

We draw attention to note no 32 of the standalone financial statements, which describes the extent to which the COVID -19 pandemic will impact the Company's results will depend on future developments, which being highly uncertain, the said note narrates management's proposed future actions based on its assessment of internal and external factors and macro level developments. Our opinion is not modified in respect of this matter.





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

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

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

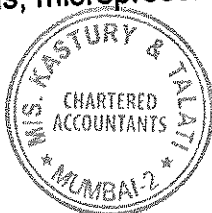
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## 6. Report on Other Legal and Regulatory Requirements

A) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

B) As required by section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.

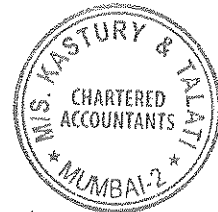


- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the Directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact if any, of pending litigations on its financial position in its financial statements
  - ii. In our opinion and as per the information and explanations provided to us the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards for material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Mumbai  
Date: 28<sup>th</sup> May, 2020

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

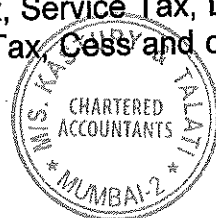
  
Dhiren P. Talati: Partner  
Membership No: F/41867



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

The Annexure Referred to in paragraph 6A of the Independent Auditor's Report of even date to the members of Phiroze Sethna Private Limited on the Financial Statements for the year ended March 31, 2020.

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The Company has a regular programme of physical verification of its Fixed Assets by which Fixed Assets are verified in a phased manner over a period of three years. In accordance with this programme, certain Fixed Assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of Company and the nature of its Assets.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- 2) The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to books records were not material.
- 3) 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. Therefore, the provisions of clause 3(iii)(a) to 3(iii)(c) of the Order are not applicable to the Company.
- 4) The company has not given loans, made investments, given guarantees and provided securities covered by provisions of section 185 and 186 of the Companies Act, 2013. Therefore, clause 3(iv) of the aforesaid Order is not applicable to the Company.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been prescribed by the Central Government under Sub Section (1) of Section 148 of the Act, in respect of the activities carried on by the Company
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Goods and Service Tax, Cess and other material statutory dues with the appropriate authorities.

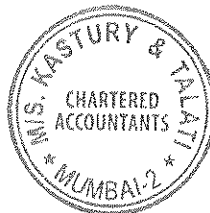


According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date they become payable.

(b) According to the information and explanation given to us and the records of the company examined by us, as at March 2020, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax, cess and other material statutory dues which have not been deposited on account of any dispute except the following:-

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


- 8) According to the information and explanations given to us and the records of the company examined by us, the Company not taken any loans or borrowings to banks, Financial Institutions, Government and Debenture Holders. Therefore, the provisions of clause 3(viii) of the Order are not applicable to the Company.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

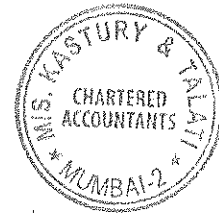


- 14) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

Place: Mumbai  
Date: 28<sup>th</sup> May, 2020

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

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



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

The Annexure Referred to in paragraph 6B(f) of the Independent Auditor's Report of even date to the members of Phiroze Sethna Private Limited on the Financial Statements for the year ended March 31, 2020.

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

We have audited the internal financial controls over financial reporting of Phiroze Sethna Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

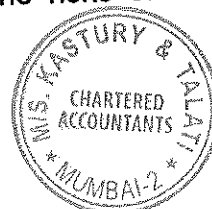
#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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



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

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

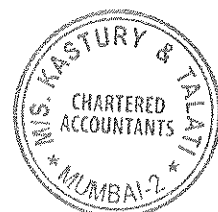
### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai  
Date: 28<sup>th</sup> May, 2020

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

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





Phiroze Sethna Private Limited

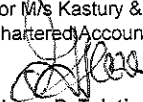
Balance Sheet as at 31st March 2020

	Notes	As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
<b>I ASSETS</b>			
1	Non-current assets		
(a)	Property, plant and equipment	290.91	89.67
(b)	Financial Assets		
i)	Investments	191.92	185.07
ii)	Other financial assets	6.67	8.07
(c)	Deferred tax assets (net)	59.71	82.75
(d)	Income tax assets (net)	4.44	2.10
2	Current Assets		
(a)	Inventories	154.90	104.75
(b)	Financial Assets		
i)	Investments	278.28	646.98
ii)	Trade receivables	352.71	398.57
iii)	Cash and cash equivalents	17.86	68.10
iv)	Bank balances other than (iii) above	12.50	12.50
(c)	Other current assets	49.39	3.34
<b>Total Assets</b>		<b>1,419.29</b>	<b>1,601.88</b>
<b>II EQUITY AND LIABILITIES</b>			
1	Equity		
(a)	Share capital	4.00	4.00
(b)	Other equity	1,071.15	1,245.93
2	Non-Current Liabilities		
(a)	Provisions	-	38.84
3	Current liabilities		
(a)	Financial liabilities		
i)	Borrowings	18.24	9.58
ii)	Trade payables		
	Trade payables -MSMED	45.07	33.62
	Trade payables -Others	176.28	178.28
(b)	Other current liabilities	107.04	36.81
(c)	Provisions	21.77	34.41
(d)	Current Tax Liabilities (Net)	(14.27)	20.40
<b>Total Equity and Liabilities</b>		<b>1,419.29</b>	<b>1,601.88</b>


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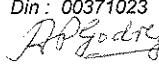
As per our attached report of even date

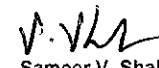
For M/s Kastury & Talati  
Chartered Accountants


  
Dhiren P. Talati  
Partner  
Membership No. F/41867  
Mumbai, 28th May 2020

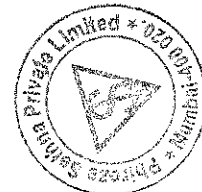
On behalf of the Board of Directors

  
S.K. Wagle  
Director  
Din : 00371023

  
Aspi Godrej  
Director  
Din : 00371135  
Mumbai, 28th May 2020

  
Sameer V. Shah  
Director  
Din: 00105721

  
Rashmi S. Gavli  
Director  
Din: 08001649



Phiroze Sethna Private Limited

Statement of Profit and Loss for the year ended 31st March 2020

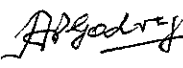
	Notes	2019-20 (Rs. In lakhs)	2018-19 (Rs. In lakhs)
I Revenue From Operations	21	1,742.73	2,280.67
II Other Income	22	108.95	86.11
III Total Revenue (I+II)		1,851.68	2,366.77
IV Expenses :			
Cost of Materials Consumed	23	1,246.92	1,650.78
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	24	(13.19)	2.41
Employee Benefits Expense	25	433.40	399.28
Finance Costs	26	7.03	0.76
Depreciation and Amortisation expense	27	17.12	13.85
Other Expenses	28	344.35	231.19
Total Expenses		2,035.63	2,298.27
V Profit before Exceptional items and Tax		(183.96)	68.51
VI Exceptional Items		-	-
VII Profit before Tax		(183.96)	68.51
VIII Tax Expense			
Current Tax		-	38.69
Earlier Years Tax Adjustments		-	-
Deferred Tax		23.04	(44.54)
Total Tax Expense		23.04	(5.85)
IX Profit for the Year		(206.99)	74.36
X Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss		57.20	(29.57)
ii) Income Tax relating to items that will not be reclassified to profit or loss		-	5.64
2 i) Items that will be reclassified to profit or loss			
ii) Income Tax relating to items that will be reclassified to profit or loss			
Other Comprehensive Income (1+2)		57.20	(23.93)
Total Comprehensive Income		(149.79)	50.43
XI Earning Per Equity Share of Face Value of Rs. 100 each	30		
Basic (in Rs.)		(5,174.83)	1,859.02
Diluted (in Rs.)		(5,174.83)	1,859.02
Significant Accounting Policies and Notes on Financial Statements	1-36		

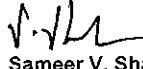
As per our attached report of even date. On behalf of the Board of Directors  
For M/s Kastury & Talati  
Chartered Accountants

  
Dhiren P. Talati  
Partner  
Membership No. F/41867  
Mumbai, 28th May 2020



  
S.K. Wagle  
Director  
Din : 00371023

  
Aspi Godrej  
Director  
Din : 00371135  
Mumbai, 28th May 2020

  
Sameer V. Shah  
Director  
Din: 00105721

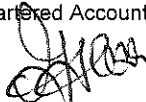
  
Rashmi S. Gavli  
Director  
Din: 08001649



Phiroze Sethna Private Limited  
Cash Flow Statement for the year ended 31st March, 2020

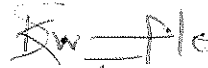
Particulars		31st March, 2020 Rs. In Lakhs	31st March, 2019 Rs. In Lakhs
<b>A)</b>	<b>Cash Flow From Operating Activities:</b>		
	Net Profit before Tax	(183.96)	68.52
	Depreciation	17.12	13.85
	Tax Expenses	23.04	(11.49)
	OCI	57.20	(29.57)
	Finance Cost	2.14	0.76
	Fair value of Investments	73.52	(37.22)
	(Profit) / Loss on Sale of Investment	(2.73)	(3.60)
	Dividend Income	(29.50)	(2.46)
	Interest Income	(10.36)	(1.59)
	(Profit) / Loss on Sale of Property, Plant and Equipment	(0.31)	(0.20)
	<b>Operating Profit before Working Capital Changes</b>	<b>(53.85)</b>	<b>(3.00)</b>
	Trade and Other Receivables	45.86	49.30
	Inventories	(50.15)	(11.57)
	Loans & other financial assets	1.40	2.98
	Other Current Assets	(46.05)	(0.48)
	Borrowings	8.66	(5.83)
	Trade and Other Payables	(0.54)	10.05
	Other Current liabilities	70.22	37.75
	Provisions	(51.49)	1.95
	<b>Cash Generated from Operations</b>	<b>(75.93)</b>	<b>81.16</b>
	Taxes paid(Net)	4.44	2.10
	<b>Cash Flow from Operating Activities</b>	<b>(71.49)</b>	<b>83.26</b>
<b>B)</b>	<b>Cash Flow from Investing Activities:</b>		
	Purchase of Property, Plant and Equipment	(238.81)	(53.83)
	Purchase of Investments	-	(40.00)
	Sale of Investments	359.59	42.59
	OCI	(57.20)	29.57
	Interest Income	10.36	1.59
	Interest Paid	(7.03)	(0.76)
	Sale of Property, Plant and Equipment	0.31	0.20
	Dividend Received	29.50	2.46
	<b>Net Cash used in Investing Activities</b>	<b>96.73</b>	<b>(18.18)</b>
<b>C)</b>	<b>Cash Flow from Financing Activities:</b>		
	Dividend Paid-On Equity Shares including Tax	25.00	-
	<b>Net Cash used in Financing Activities</b>	<b>25.00</b>	<b>-</b>
	<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>50.24</b>	<b>65.08</b>
	<b>Cash and Cash Equivalent at the beginning of the year</b>	<b>68.10</b>	<b>3.02</b>
	<b>Cash and Cash Equivalent at the end of the year</b>	<b>17.86</b>	<b>68.10</b>

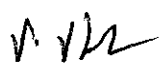
As per our attached report of even date  
For M/s Kastury & Talati  
Chartered Accountants


  
Dhiren P. Talati  
Partner  
Membership No. F/41867  
Mumbai, 28th May 2020




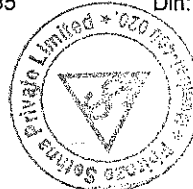
On behalf of the Board of Directors

  
S.K. Wagle  
Director  
Din : 00371023

  
Sameer V. Shah  
Director  
Din : 00105721

  
Aspi Godrej  
Director  
Din : 00371135

  
Rashmi S. Gavli  
Director  
Din : 08001649



Phiroze Sethna Private Limited

Statement Of Changes In Equity For The Year Ended 31st March 2020

(a) Equity share capital

Rs. in Lacs

	No. of Shares	Amount
Balance as at 1st April 2017	4,000	4.00
Changes in equity share capital	-	-
Balance as at 31st March 2018	4,000	4.00
Changes in equity share capital	-	-
Balance as at 31 March 2019	4,000	4.00

(b) Other Equity

Rs. in Lacs

Particulars	Reserves and Surplus			
	General Reserve	Capital Redemption Reserve	Retained earnings/Profit & Loss Account	Total other equity
Balance as at 1st April 2018	514.40	0.05	681.06	1,195.51
<b>Total Comprehensive</b>				
Profit for the year			74.36	74.36
Other comprehensive income for the year			(29.57)	(29.57)
Tax Effect on Othe Comprehensive Income			5.64	5.64
<b>Transactions with owners of the company</b>				
Interim Dividend on Equity Shares			-	-
Interim Dividend Distribution Tax			-	-
Balance as at 31st March 2019	514.40	0.05	731.48	1,245.93
<b>Total Comprehensive</b>				
Profit for the year			(206.99)	(206.99)
Other comprehensive income for the year			57.20	57.20
Set off of Dividend Tax in respect of Dividend from Subsidiary Company			5.14	5.14
Tax Effect on Othe Comprehensive Income			-	-
Interim Dividend			(25.00)	(25.00)
Tax on Interim Dividend			(5.14)	(5.14)
Balance as at 31st March 2020	514.40	0.05	556.69	1,071.14

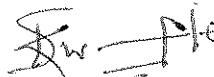
As per our attached report of even date  
For M/s Kastury & Talati  
Chartered Accountants



**Dhiren P. Talati**  
Partner  
Membership No. F/41867  
Mumbai, 28th May 2020



On behalf of the Board of Directors



**S.K. Wagle**  
Director



**Aspi Godrej**  
Director  
Mumbai, 28th May 2020



**Sameer V. Shah**  
Director



**Rashmi S. Gavli**  
Director



## Notes to the Financial Statements

For the year ended March 31, 2020

### COMPANY INFORMATION:

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

The Company was incorporated on June 24, 1975 and has achieved the prestigious ISO 9001:2008 Certification.

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

### 1.1 Basis of preparation of financial statements

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

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

### 1.2 Functional and presentation Currency

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

### 1.3 Current / Non-Current Classification:

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

### 1.4 Use of Estimates

The preparation of Financial Statements is in conformity with Ind AS and requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent liabilities on the date of Financial Statements and reported amounts of revenues and expenses during the period. Accounting estimates can change from period to period.



Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, and if material, their effects are disclosed in the notes to the financial statements.

### 1.5 Summary of significant accounting policies:

#### a) Property, Plant and Equipment

##### Measurement at recognition:

Free Hold Land is carried at Historical Cost. All other items of Property, plant and equipment (PPE) are stated at historical cost less accumulated depreciation and accumulated impairment losses if any.

Historical cost comprises of its purchase price including taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Profit or Loss on disposal of tangible assets is recognised in the Statement of Profit and Loss.

##### Subsequent Measurement:

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

##### Depreciation and Amortization:

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

#### b) Revenue Recognition

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

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

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



**c) Lease Accounting**

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

**d) Inventory**

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

Cost of 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 direct materials, direct labour, an appropriate allocation of production overheads, and other costs incurred in bringing the inventories to their present location and condition.

**e) Impairment of Assets**

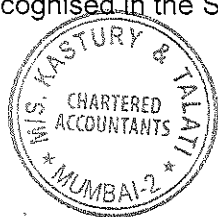
**i) Impairment of financial assets**

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

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

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

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



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

## f) Financial Instruments

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

### i. Financial assets

#### Classification

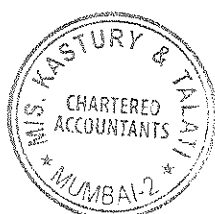
The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics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

#### Initial recognition and measurement

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

#### Debt instruments

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss.
- Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.





## Equity instruments

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

## De-recognition

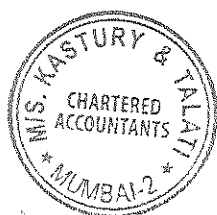
A financial asset derecognised only when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## Impairment of financial assets

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

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



## ii. Financial liabilities

### Initial recognition and measurement

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

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

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

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

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

### Derecognition

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

## g) Trade and other payables

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

## h) Provisions:

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



**i) Contingent Liability:**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

**j) Fair Value Measurement**

The Company's measures Financial Instruments at fair value at each Balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

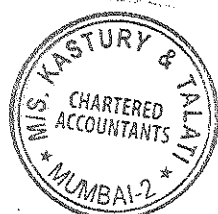
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**k) Foreign Currency Translation:**

Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted in the functional currency at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.



Measurement of foreign currency items at the Balance Sheet date:

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

**l) Trade Receivables**

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

**m) Income Taxes**

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

**a. Current tax:**

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

**b. Deferred tax:**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961. However, in case of temporary differences that arise from initial recognition of asset or liability in a transaction (other than in a business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

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

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

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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



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

**n) Cash and Cash Equivalents**

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

**o) Employee Benefits:**

**Short Term Employee Benefits:**

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

**Post-Employment Benefits:**

**i. Defined Contribution plans:**

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

**ii. Defined Benefit plans:**

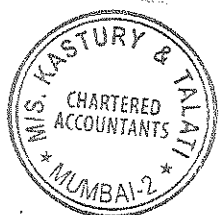
**Provident Fund scheme**

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

**Gratuity**

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

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



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

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

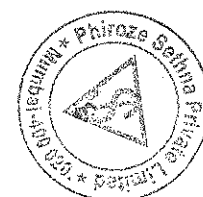
**p) Borrowing Cost:**

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

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

**q) Segment Reporting:**

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

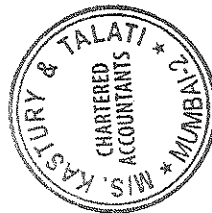


Phiroze Sethan Private Limited  
Notes on Financial Statements for the year ended 31st March, 2020

2 Property, Plant & Equipment

	Gross Block						Accumulated Depreciation		Net Block	
	As at April 1, 2019	Additions during the Year	Deletions during the Year	As at Mar 31, 2020	As at April 1, 2019	Additions during the Year	Deletions during the Year	As at Mar 31, 2020	As at Mar 31, 2019	
Property, Plant & Equipment										
Land - Leasehold*	0.06	-	-	0.06	-	-	-	0.06	0.06	
Factory Building	33.26	72.01		105.27	7.03	2.43		95.81	26.23	
Plant & Machinery	28.82	97.31		126.13	4.07	3.54		118.52	24.75	
Lab Equipment	0.00	10.17		10.17		2.85		7.33	-	
Factory Equipment		24.99		24.99		0.19		24.81	-	
Electrical Installations	9.13	19.78		28.91	2.54	1.76		24.61	6.59	
Office Equipment	1.92	2.16		4.08	0.96	0.22		2.90	0.96	
Computer Equipment	11.80	5.34		17.14	7.10	3.94		6.10	4.70	
Furniture & Fixtures	3.26	7.04		10.30	1.20	0.67		8.43	2.06	
Vehicles	12.84			12.84	8.99	1.52		2.33	3.85	
Assets Under Construction	20.45		20.45	0.00	-	-		-	20.45	
<b>Total</b>	<b>121.54</b>	<b>238.81</b>	<b>20.45</b>	<b>339.90</b>	<b>31.89</b>	<b>17.12</b>	<b>49.00</b>	<b>290.90</b>	<b>89.65</b>	

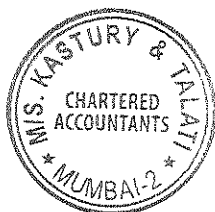
\* Land is taken on lease. Hence depreciated uniformly over a period of 99 years.



Phiroze Sethna Private Limited

Notes on Financial Statements for the year ended 31st March, 2020

3	Non-Current Investments	As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
	<u>(Long Term Investment In Shares)</u> <u>UNQUOTED (at Amortised Cost)</u> <u>Investment In Subsidiaries</u>		
	48,000 (48,000) Equity Shares of Gramos Chemicals (India) Private Limited Face Value of Rs.100 each fully paid up (Constituting 100%(100%) of the said Company's paid up capital)	4.43	4.43
	<u>Investments In Equity Shares - Quoted</u> (at Fair Value through Profit or Loss)		
	7,250 (7,250 ) Equity Shares of HDFC Limited of Rs.2/- each fully paid up	118.21	142.63
	3,800 (3,800 ) Equity Shares Tata Consultancy Services Limited of Re.1/- each fully paid up	69.28	38.01
	Total	<u>191.92</u>	<u>185.07</u>
	Market value of Quoted Investments	187.49	180.64
	Aggregate amount of Unquoted Investments	4.43	4.43
4	Other Financial Assets (Unsecured & considered good)	As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
	Other Deposits	6.67	8.07
	Total	<u>6.67</u>	<u>8.07</u>
5	Deferred Tax	As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
	Property, Plant and Equipment	(4.01)	6.79
	Provision for Employee benefits	-	10.70
	Fair Value of Investments	-	7.74
	Expenses disallowed under Sec 43B	8.37	2.16
	Minimum Alternate Tax	55.36	55.36
	Total	<u>59.71</u>	<u>82.75</u>

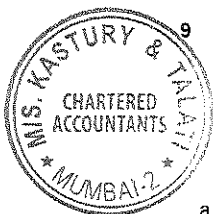




Phiroze Sethna Private Limited

Notes on Financial Statements for the year ended 31st March, 2020

	As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
<b>6 Income Tax Assets (net)</b>		
Income Tax (Net of Provisions)	4.44	2.10
	<u>4.44</u>	<u>2.10</u>
<b>7 Inventories</b> (At lower of cost & net realisable value)		
Raw Material	91.40	59.00
Packing Material	20.73	16.17
Finished Goods	42.77	29.58
Total	<u>154.90</u>	<u>104.75</u>
<b>8 Current Investments</b>		
<u>Investments In Mutual Funds - Quoted</u> (at Fair Value through Profit or Loss)		
Nil (9,724.599) Units Aditya Birla Sun Life Equity Hybrid 95 Fund Regular-Growth	-	73.94
1,39,722.507(1,39,722.507) Units HDFC Hybrid Equity Fund-Growth	59.32	76.06
7,390.087(7,390.087) Units HDFC Equity Fund- Growth	33.83	50.34
Nil (3,061.379) Units Kotak Money Market Scheme-Growth-Regular Plan	-	95.29
1,46,756.677(1,46,756.677) Units Kotak Standard Multicap Fund-Growth	39.64	52.07
Nil (2,78,510.156) Units L & T Hybrid Equity Fund-Growth	-	72.74
1,00,294.867(1,00,294.867) Units Mirae Asset India Equity Fund Fund-Regular Growth	38.95	51.32
Nil (1,83,143.475) Units Motilal Oswal MOST Focused Multicap 35 Fund-Regular Growth	-	47.58
1,27,018.966(1,27,018.966) Units SBI Blue Chip Fund-Regular Growth	37.79	49.80
57,933.400(57,933.400) Units SBI Equity Hybrid Fund -Regular Growth	68.76	77.82
Total	<u>278.28</u>	<u>646.98</u>
Market value of Quoted Investments	278.28	646.98
<b>9 Trade Receivables</b>		
Unsecured, Considered Good	352.71	398.57
Less : Provision for Doubtful Debts	352.71	398.57
Total	<u>352.71</u>	<u>398.57</u>
a For Related party transactions Refer Note 34		



**Notes on Financial Statements for the year ended 31st March, 2020**

	As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
<b>10 Cash And Cash Equivalents</b>		
<b>Balances with Bank</b>		
In Current Accounts	17.22	68.04
Cash on hand	0.63	0.06
<b>Total</b>	<b>17.86</b>	<b>68.10</b>
<b>11 Other Bank Balances</b>		
Margin money (Including deposits with original maturity of more than 3 months)	12.50	12.50
<b>Total</b>	<b>12.50</b>	<b>12.50</b>
<b>12 Other Current Assets</b>		
Interest Accrued	0.44	0.45
Prepaid expenses	2.71	2.89
Gratuity Deposit	46.24	
<b>Total</b>	<b>49.39</b>	<b>3.34</b>



Phiroze Sethna Private Limited

Notes on Financial Statements for the year ended 31st March, 2020

		As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
<b>13</b>	<b>Share Capital</b>		
	<b>Authorised</b>		
	(5,000) Equity Shares of Rs.100/- each	5.00	5.00
	(4,950) Unclassified Shares of Rs.100/- each	4.95	4.95
	(9.50% )Cumulative Redeemable Preference Shares of Rs.100/-each	0.05	0.05
		<u>10.00</u>	<u>10.00</u>
	<b>Issued, Subscribed and Paid up</b>		
	4,000 Equity Shares of Rs.100/- each fully paid up (All the 4,000 Equity Shares are held by Chembond Chemicias Ltd, the holding Company)	4.00	4.00
	<b>Total</b>	<u>4.00</u>	<u>4.00</u>
<b>a</b>	<b>Details of Shareholders holding more than 5% Shares</b>		
	Name of the Shareholder	As at 31/03/2020 No of Shares	As at 31/03/2019 No of Shares
	Chembond Chemicals Limited & its nominees 100%	4,000	4,000
<b>14</b>	<b>Other Equity</b>	As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
	<b>Capital Redemption Reserve</b>		
	Opening Balance	0.05	0.05
	Closing Balance	0.05	0.05
	<b>General Reserve</b>		
	As per last year	514.40	514.40
	Add: Transfer from Profit & Loss A/c.	-	-
		<u>514.40</u>	<u>514.40</u>
	<b>Retained Earnings</b>		
	As per last year	731.49	681.05
	Add: Profit for the Year	(206.99)	74.36
	Add: Excess Provision related to Previous years written back	-	-
		<u>524.50</u>	<u>755.41</u>
	Less: Appropriations		
	Transferred to General Reserve	-	-
	Other Comprehensive Income	57.20	(29.57)
	Tax Effect on Othe Comprehensive Income	-	5.64
	Interim Dividend	25.00	-
	Set off of Dividend Tax in respect of Dividend from Subsidiary Co	(5.14)	-
	Tax on Interim Dividend	5.14	-
		<u>556.70</u>	<u>731.48</u>
	<b>Total</b>	<u>1,071.15</u>	<u>1,245.93</u>



Phiroze Sethna Private Limited

Notes on Financial Statements for the year ended 31st March, 2020

		As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
<b>15</b>	<b>Provisions (Non Current)</b>		
	Provision for Gratuity	-	38.84
	<b>Total</b>	<b>-</b>	<b>38.84</b>
<b>16</b>	<b>Borrowings</b>		
	<b>Secured</b>		
	Over Draft Facilities from Banks	18.24	9.58
	<b>Total</b>	<b>18.24</b>	<b>9.58</b>
a	Over draft facility are Secured against stock		
<b>17</b>	<b>Trade Payables</b>		
	Micro, Small and Medium Enterprises	45.07	33.62
	Others	166.28	178.28
	<b>Total</b>	<b>211.36</b>	<b>211.90</b>
a	For Related party transaction Refer Note No.33		
		As at 31/03/2020 (Rs. In lakhs)	As at 31/03/2019 (Rs. In lakhs)
	Principal amount due to suppliers under MSMED Act, 2006	45.07	33.62
	Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	0.12	-
	Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
	Interest paid/adjusted to suppliers under MSMED Act, 2006 (other than section 16)	-	-
	Interest paid/adjusted to suppliers under MSMED Act, 2006 (Section 16)	-	-
	Interest due and payable to suppliers under MSMED Act, 2006 for payments already made	-	-
	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-
	The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.		
<b>18</b>	<b>Other Current Liabilities</b>		
	Advance Received From Customers	-	4.95
	Statutory Dues	9.33	22.53
	Other payable	7.71	9.33
	Creditors For Capital Expenditure	90.00	-
	<b>Total</b>	<b>107.04</b>	<b>36.81</b>

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



Phiroze Sethna Private Limited

Notes on Financial Statements for the year ended 31st March, 2020

19	Provisions (Current)	As at	As at
		31/03/2020 (Rs. In lakhs)	31/03/2019 (Rs. In lakhs)
	Provision for Employees Benefits	21.77	34.41
	<b>Total</b>	<b>21.77</b>	<b>34.41</b>
20	Current Tax Liabilities (Net)	As at	As at
		31/03/2020 (Rs. In lakhs)	31/03/2019 (Rs. In lakhs)
	Income Tax	(14.27)	20.40
	<b>Total</b>	<b>(14.27)</b>	<b>20.40</b>

Notes on Financial Statements for the year ended 31st March, 2020

21	Revenue From Operations	2019-20	2018-19
		(Rs. In lakhs)	(Rs. In lakhs)
	Sales	1,742.73	2,280.67
	<b>Net Sales</b>	<b>1,742.73</b>	<b>2,280.67</b>
22	Other Income	2019-20	2018-19
		(Rs. In lakhs)	(Rs. In lakhs)
	Dividend from Subsidiary Company	25.00	-
	Dividend from Equity Investments	4.50	2.46
	Profit from Sale of Mutual Funds	29.50	2.46
	Gross Interest {TDS Rs. 0.96 lakhs (Rs. 0.05 lakhs)}	2.73	3.60
	Foreign Exchange Fluctuation Gain	10.36	1.59
	Net Gain on Sale of Fixed Assets	0.68	-
	Net Gain on Sale of Fixed Assets	0.31	0.20
	Mangement Consultancy fees Received {TDS Rs.5.72 lakhs(Rs.4.10 lakhs)}	57.24	41.04
	Miscellaneous Income	3.61	-
	Sales Tax Refund	2.03	-
	Rent Received{TDS Rs.0.25 lakhs}	2.48	-
	Fair value of Investments	-	37.22
	<b>Total</b>	<b>108.95</b>	<b>86.11</b>
	For Related party transaction Refer Note No.34		
23	Cost Of Materials Consumed	2019-20	2018-19
		(Rs. In lakhs)	(Rs. In lakhs)
	<b>Raw Material Consumed</b>		
	Purchases	1,140.90	1,506.17
	Packing Material Consumed	106.03	144.61
	<b>Total</b>	<b>1,246.92</b>	<b>1,650.78</b>
24	Changes In Inventory Of Finished Goods, Work In Progress And Traded Goods	2019-20	2018-19
		(Rs. In lakhs)	(Rs. In lakhs)
	Finished products/ Stock in Trade (At Close)	42.77	29.58
	Finished products/ Stock in Trade (At commencement)	29.58	31.99
	<b>Total</b>	<b>- 13.19</b>	<b>2.41</b>



Phiroze Sethna Private Limited

Notes on Financial Statements for the year ended 31st March, 2020

25	Employee Benefit Expenses	2019-20 (Rs. In lakhs)	2018-19 (Rs. In lakhs)
	Director Remuneration	62.53	58.06
	Salaries & Wages	310.01	271.18
	Contribution to Provident & other funds	40.89	49.17
	Staff Welfare Expenses	19.96	20.87
	Total	<u>433.40</u>	<u>399.28</u>

- a For Related party transaction Refer Note No.34  
b The Company's obligation towards the Gratuity Fund is a Defined Benefit Plan.  
Details of actuarial Valuation are as follows:

Particulars	2019-20 (Rs. In lakhs)	2018-19 (Rs. In lakhs)
Opening defined benefit obligation	360.45	303.61
Current service cost	9.17	7.56
Interest on defined benefit obligation	17.76	15.27
(Benefits paid)	(189.53)	-
Actuarial loss / (gain) arising from change in financial assumptions	10.39	2.99
Actuarial loss / (gain) arising from changes in demographic assumptions	-	(0.02)
Actuarial loss / (gain) arising on account of experience changes	(81.36)	31.04
Closing defined benefit obligation	<b>126.89</b>	<b>360.45</b>

**Changes in the fair value of assets in case of Gratuity representing reconciliation of opening and closing balances thereof:**

Opening fair value of plan assets	321.60	266.72
Employer contributions	38.84	36.89
Interest on plan assets	15.98	13.56
Actual return on plan assets less interest on plan assets	(3.14)	4.44
Benefit paid	(189.53)	
Closing fair value of plan assets	<b>183.76</b>	<b>321.60</b>

**Actuarial assumption:**

Discount rate	6.55%	7.50%
Salary escalation	7.00%	7.00%

**Profit & Loss Account Expense**

Current service cost	9.17	7.56
Interest on net defined benefit liability / (assets)	1.79	1.71
(Gains) / losses on settlement		
Closing fair value of plan assets	<b>10.96</b>	<b>9.27</b>

**Reconciliation of Net Liability / Asset**

Opening net defined benefit liability / (asset)	38.84	36.89
Expense charged to profit & loss account	10.96	9.27
Amount recognized outside profit & loss account	(57.20)	29.57
Employer contributions	(38.84)	(36.89)
Closing fair value of plan assets	<b>(46.24)</b>	<b>38.84</b>

**Movement in Benefit Obligations**

Opening net defined benefit obligation	360.45	303.61
Current Service Cost	9.17	7.56
Interest on defined benefit obligation	17.76	15.27
Remeasurements due to :		
Actuarial loss / (gain) arising from change in financial assumptions	10.39	2.99
Actuarial loss / (gain) arising from changes in demographic assumptions	-	(0.02)
Actuarial loss / (gain) arising on account of experience changes	(81.36)	31.04
Benefit paid		
Closing fair value of plan assets	<b>316.41</b>	<b>360.45</b>

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



Phiroze Sethna Private Limited

Notes on Financial Statements for the year ended 31st March, 2020

26	Finance Cost	2019-20 (Rs. In lakhs)	2018-19 (Rs. In lakhs)
	Interest Expense		
	- Banks	2.14	0.76
	- MSME	0.12	
	- Others	4.77	
	Total	<u>7.03</u>	<u>0.76</u>
27	Depreciation And Amortisation Expenses	2019-20 (Rs. In lakhs)	2018-19 (Rs. In lakhs)
	Depreciation and Amortisation Expenses	17.12	13.85
	Total	<u>17.12</u>	<u>13.85</u>
28	Other Expenses	2019-20 (Rs. In lakhs)	2018-19 (Rs. In lakhs)
	<b>Manufacturing Expenses</b>		
	Power, Fuel & Water Charges	11.67	14.17
	Godown Rent	30.62	19.61
	Labour Charges	33.20	24.66
	Factory Maintenance	29.76	21.19
	A	<u>105.26</u>	<u>79.63</u>
	<b>Administrative Expenses</b>		
	Director's Sitting Fees	0.07	0.05
	Rates & Taxes	1.27	0.45
	Electricity charges	2.00	2.54
	Printing and stationary	3.17	3.63
	Telephone & Postage Expenses	3.60	4.50
	Insurance	6.14	7.82
	Motor car expenses	3.21	3.75
	Auditors Remuneration	1.93	1.84
	Legal, Professional & consultancy fees	11.60	6.60
	Repairs & Maintenance Buildings	2.20	0.04
	Repairs & Maintenance Others	9.29	7.79
	Carriage & Freight	59.07	70.69
	Miscellaneous expenses	12.32	11.53
	Foreign Exchange Fluctuation Loss	-	0.48
	Fair value of Investments	73.52	-
	Bad Debts Written Off	5.07	-
	B	<u>194.47</u>	<u>121.73</u>
	<b>Selling And Distribution Expenses</b>		
	Travelling Expenses	11.13	6.46
	Conveyance expenses	33.50	23.37
	C	<u>44.62</u>	<u>29.83</u>
	(A+B+C)	<u>344.35</u>	<u>231.19</u>



**Phiroze Sethna Private Limited**

**Notes on Financial Statements for the year ended 31st March, 2020**

a Auditor's Remuneration consists of:		2019-20 (Rs. In lakhs)	2018-19 (Rs. In lakhs)
	Statutory Audit Fees	1.93	1.89
	Tax Audit Fees	0.83	0.74
	Taxation and Other Matters	0.56	0.53
	Total	<u>3.32</u>	<u>3.16</u>
b For Related party transaction Refer Note No.34			
29 Earnings Per Share		2019-20	2018-19
	Net Profit available to Equity Shareholders (Rs. In Lakhs)	(206.99)	74.36
	Total number of Equity Shares (Face value of Rs. 100/- each fully paid up)	4,000	4,000
	Weighted No. of Equity Shares	4,000	4,000
	Basic Earnings per Share (in Rupees)	(5,174.83)	1,859.02
	Diluted No. of Equity Shares	4,000	4,000
	Diluted Earnings per Share (in Rupees)	(5,174.83)	1,859.02
30 Value Of Imports Calculated On CIF Basis		2019-20 (Rs. In lakhs)	2018-19 (Rs. In lakhs)
	Raw Materials and Finished Goods	<u>101.22</u>	<u>93.71</u>
31 Contingent Liabilites not provided for are in respect of :		2019-20 (Rs. In lakhs)	2018-19 (Rs. In lakhs)
	Particulars		
	On account of Non Receipt of C Forms	-	2.63

**32 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. All plants of the Company were shut down on 23rd March, 2020 only to restart at considerably lower productivity during the period 8th April, 2020 and 25th April, 2020 in a phased manner.

We have implemented the necessary precaution measures to ensure hygiene, safety and wellbeing of all our employees at all plants and locations. 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 standalone 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 standalone financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.





**Phiroze Sethna Private Limited**

**Note 33:**

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

**a) Relationship:**

**i. Holding Company :**

Chembond Chemicals Limited

**ii. Subsidiary Company :**

Gramos Chemicals India Private Limited

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

**Key Management Personnel :**

Mr. Sameer V Shah  
Mr. Nirmal V Shah  
Mrs. Rashmi Gavli  
Mr. Mahendra Ghelani  
Mr. Sharad Wagie  
Mr. Aspi Godrej  
Mrs. Parviz Batliwala

**Relatives :**

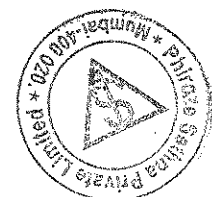
Padma V Shah, Dr. Shilpa S. Shah, Mamta N. Shah, Alpna S. Shah, Zama K Shah, Amrita S Shah, Maliika S Shah.

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

Balu Investments Services Private Limited  
Bulows india Private Limited  
Phiroze Sethna & Company  
CCL Opto Electronics Private Limited  
Finor Piplaj Chemicals Limited  
S and Venturs Limited  
GTK Intermediates Private Limited  
Visan Holdings and Financial Services Private Limited  
Oriano Clean Energy Private Limited

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

For the year ended as on Description of the nature of transactions	31.03.2020			31.03.2019		
	Holding	Subsidiary	KMP	Holding	Subsidiary	KMP
<b>Sale of Goods</b>						
Chembond Chemicals Limited	5.63			93.61		
Gramos Chemicals India Private Limited		1.16			1.07	
Chembond Material Technologies Pvt Ltd			45.50			
<b>Sales Of Fixed Assets</b>						
Chembond Chemicals Limited	0.20			0.20		
Chembond Material Technologies Pvt Ltd			0.09			
<b>Managment Fees Received</b>						
Gramos Chemicals India Private Limited		57.24			41.04	
<b>Interest Received</b>						
Chembond Material Technologies Pvt Ltd			9.10			
<b>Rent Received</b>						
Chembond Material Technologies Pvt Ltd			2.48			

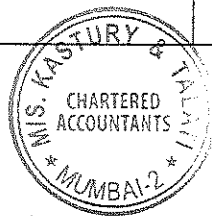


Phiroze Sethna Private Limited

Note 33: (continued)

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

For the year ended as on Description of the nature of transactions	31.03.2020			31.03.2019		
	Holding	Subsidiary	KMP	Holding	Subsidiary	KMP
<b>Dividned Received</b>						
Gramos Chemicals India Private Limited		25.00				
<b>Rent Paid</b>						
Gramos Chemicals India Private Limited		11.45		-	5.40	-
<b>Telephone Expenses</b>						
Chembond Chemicals Limited	0.11					
Chembond Material Technologies Pvt Ltd			0.04			
<b>Advertisement Expenses</b>						
Chembond Chemicals Limited	0.40					
<b>Purchase of Goods</b>						
Chembond Chemicals Limited	5.05			28.90		
Chembond Distribution Limited						1.96
Chembond Material Technologies Pvt Ltd			7.98			
<b>Purchase of Fixed Assets</b>						
Chembond Chemicals Limited	2.52			6.29		
Chembond Material Technologies Pvt Ltd			0.41			
<b>Interest Paid</b>						
Gramos Chemicals India Private Limited		4.77				
<b>Dividned Paid</b>						
Chembond Chemicals Limited	25.00					
<b>Loan Given</b>						
Chembond Material Technologies Pvt Ltd			200.00			
<b>Loan Repaid</b>						
Chembond Material Technologies Pvt Ltd			200.00			
<b>Advance Received for Capital expenditure</b>						
Gramos Chemicals India Private Limited		90.00				
<b>Balance at the end of the year</b>						
<b>A.Trade Receivables</b>						
Cehmbond Chemicals Limited	0.28			10.88		
Chembond Distribution Limited						
Gramos Chemicals India Private Limited		10.75			0.20	
Chembond Material Technologies Pvt Ltd			31.59			
<b>B.Trade Payables</b>						
Cehmbond Chemicals Limited	0.29			3.80		
Gramos Chemicals India Private Limited		1.08				
Chembond Material Technologies Pvt Ltd			4.65			
<b>C. Other Current Liabilities</b>						
Gramos Chemicals India Private Limited		90.00				
<b>Directors Sitting Fees</b>						
Mr.Mahendra Ghelani			0.05	-	-	0.03
Mrs.Parviz Batliwala			0.02	-	-	0.02
<b>Directors Renumeration</b>						
Mr.S.K.Wagle			34.75	-	-	31.03
Mr.A.P.Godrej			27.78	-	-	27.03





#### Transfers between Levels

There are no transfers between the levels

#### C. Financial risk management

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

##### i. Risk management framework

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

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

##### ii. Credit risk

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

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

##### Trade and other receivables

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

The Company manages credit risk through various internal policies and procedures set forth for effective control over credit exposure. These are managed by way of setting various credit approvals, evaluation of financial condition before supply terms, setting credit limits, industry trends, ageing analysis and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Based on prior experience and an assessment of the current economic environment, management believes that sufficient provision is made for credit risk wherever credit is extended to customers.

##### Cash and cash equivalents

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

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

##### iii. Liquidity risk

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

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

##### iv. Market risk

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

##### a) Currency risk

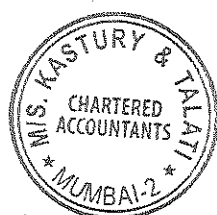
The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, and other expenses are denominated and the functional currency of the Company. The functional currency of the Company is Indian Rupees (INR). The currencies in which these transactions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

##### Exposure to currency risk

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

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

Currency	Exposure to buy/sell	As at 31/03/2020		As at 31/03/2019	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
USD	Buy	-	-	-	-



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

		As at 31/03/2020		As at 31/03/2019	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
US Dollars	Buy	0.30	21.69	0.20	13.85
US Dollars	Sell	0.00	0.00	0.00	0.00

b) Interest rate risk


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

35 Tax Reconciliation

	2019-2020 (Rs. In lakhs)	2018-2019 (Rs. In lakhs)
(a) The income tax expense consists of the followings:		
Particulars		
Current Income Tax	-	44.33
Deferred Tax Expense	23.04	(44.55)
<b>Tax expense for the year</b>	<b>23.04</b>	<b>(0.22)</b>
(b) Reconciliation of tax expense and the accounting profit multiplied by india's tax Rate		
Profit before income tax expense	(241.16)	98.09
Indian statutory income tax rate (MAT)	19.24%	20.39%
Expected Income Tax expenses	-	20.19
Part A		
Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
Income exempt from income taxes	-	(0.51)
Additional allowances/deduction	-	0.06
Transition gain	-	25.48
Others	-	(0.90)
Current Tax (A)	-	44.32
Part B		
Deferred Tax Effect at the rate of:	27.82%	27.55%
Depreciation	-	-
Investments at Fair Value	-	-
Less:		
Depreciation	(10.80)	1.77
Investments at Fair Value	(7.74)	1.83
Gratuity	-	0.54
MAT Credit	-	40.24
Other Deferred tax Asset	(4.50)	0.16
Provision for Doubtful Debts	-	-
Deferred Tax (B)	23.04	(44.54)
<b>Tax Expense (A+B)</b>	<b>23.04</b>	<b>(0.22)</b>

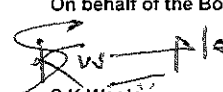
36 The previous year figures have been regrouped, reallocated or reclassified wherever necessary to conform to current year classification and presentation.


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


  
Dhiren P. Talati  
Partner  
Membership No. F/41867  
Mumbai, 28th May 2020




On behalf of the Board of Directors

  
S.K. Wagle  
Director  
Din : 00371023

  
Aspi Godrej  
Director  
Din : 00371135  
Mumbai, 28th May 2020

  
Sameer V. Shah  
Director  
Din: 00105721

  
Rashmi S. Gavli  
Director  
Din: 08001649

