

Phiroze Sethna Private Limited

Balance Sheet as at 31st March 2022

	Notes	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
<b>I ASSETS</b>			
1 Non-current assets			
(a) <b>Property, plant and equipment and Intangible Assets</b>			
(i) Property, plant and equipment	2	105.83	123.06
(b) Financial Assets			
i) Investments	3	319.68	306.35
ii) Other financial assets	4	55.06	59.80
(c) Deferred tax assets (net)	5	107.91	115.04
(d) Income tax assets (net)	6	12.33	18.70
		<b>600.81</b>	<b>622.95</b>
2 Current Assets			
(a) Inventories	7	82.25	220.49
(b) Financial Assets			
i) Investments	8	34.25	293.08
ii) Trade receivables	9	642.60	390.31
iii) Cash and cash equivalents	10	8.39	28.69
iv) Bank balances other than (iii) above	11	23.75	18.75
(c) Current Tax (Net)	19	8.15	0.00
(d) Other current assets	12	8.34	12.02
		<b>807.73</b>	<b>963.35</b>
Total Assets		<b>1,408.55</b>	<b>1,586.30</b>
<b>II EQUITY AND LIABILITIES</b>			
1 Equity			
(a) Equity Share capital	13	4.00	4.00
(b) Other equity	14	795.14	1,111.07
<b>Total Equity</b>		<b>799.14</b>	<b>1,115.07</b>
2 Non-Current Liabilities			
3 Current liabilities			
(a) Financial liabilities			
i) Borrowings	15	90.00	113.97
ii) Trade payables			
Trade payables -MSMED	16	64.02	71.73
Trade payables -Others	16	345.60	236.09
(b) Other current liabilities	17	87.00	7.92
(c) Provisions	18	22.78	34.78
(d) Current Tax Liabilities (Net)	19	-	6.75
<b>Total Liabilities</b>		<b>609.40</b>	<b>471.23</b>
Total Equity and Liabilities		<b>1,408.55</b>	<b>1,586.30</b>

1-37

As per our attached report of even date

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

On behalf of the Board of Directors

**sd/-**  
**C.A.Dhiren P. Talati**  
Partner  
Membership No. F/41867  
Mumbai, 30th April 2022

**sd/-**  
**S.K.Wagle**  
Director  
Din : 00371023

**sd/-**  
**Sameer V. Shah**  
Director  
Din: 00105721

**sd/-**  
**Aspi Godrej**  
Director  
Din : 00371135

**sd/-**  
**Rashmi S. Gavli**  
Director  
Din: 08001649

**Phiroze Sethna Private Limited**

**Phiroze Sethna Private Limited**

**Statement of Profit and Loss for the year ended 31st March 2022**

	Notes	2021-22 (Rs. In lakhs)	2020-21 (Rs. In lakhs)	
I	Revenue From Operations	20	2,280.60	1,591.13
II	Other Income	21	99.83	325.61
III	Total Income (I+II)		2,380.43	1,916.74
IV	Expenses :			
a)	Cost of Materials Consumed	22	2,060.05	1,271.55
b)	Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	23	34.01	(13.35)
c)	Employee Benefits Expense	24	325.46	360.40
d)	Finance Costs	25	13.82	7.28
e)	Depreciation and Amortisation expense	26	9.03	23.20
f)	Other Expenses	27	249.25	276.07
	Total Expenses		2,691.62	1,925.15
V	Profit before Exceptional items and Tax		(311.19)	(8.41)
VI	Exceptional Items		-	-
VII	Profit before Tax		(311.19)	(8.41)
VIII	Tax Expense			
	Current Tax		0.00	22.73
	Earlier Years Tax Adjustments		(0.03)	-
	Deferred Tax		7.13	(55.33)
	Total Tax Expense		7.10	(32.60)
IX	Profit for the Year		(318.29)	24.19
X	Other Comprehensive Income			
1	i) Items that will not be reclassified to profit or loss		2.34	18.85
	ii) Income Tax relating to items that will not be reclassified to profit or loss		-	(3.15)
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)		2.34	15.71
	Total Comprehensive Income		(315.95)	39.89
XI	Earning Per Equity Share of Face Value of Rs. 100 each	28		
	Basic (in Rs.)		(7,957.21)	604.64
	Diluted (in Rs.)		(7,957.21)	604.64
	Significant Accounting Policies and Notes on Financial Statements	1-37		

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**Phiroze Sethna Private Limited**

**Statement Of Changes In Equity For The Year Ended 31st March 2022**

**(a) Equity share capital**

Rs. in Lakhs

	No. of Shares	Amount
Balance as at 1st April 2020	4,000	4.00
Changes in equity share capital	-	-
Balance as at 31st March 2021	4,000	4.00
Changes in equity share capital	-	-
Balance as at 31 March 2022	4,000	4.00

**(b) Other Equity**

Rs. in Lakhs

Particulars	Reserves and Surplus			
	General Reserve	Capital Redemption Reserve	Retained earnings/Profit & Loss Account	Total other equity
<b>Balance as at 1st April 2021</b>	514.40	0.05	556.72	1,071.17
<b>Total Comprehensive</b>				
Profit for the year			24.19	24.19
Other comprehensive income for the year			18.85	18.85
Set off of Dividend Tax in respect of Dividend from Subsidiary Company			(3.15)	(3.15)
Tax Effect on Othe Comprehensive Income			-	-
<b>Transactions with owners of the company</b>				
Interim Dividend on Equity Shares			-	-
Interim Dividend Distribution Tax			-	-
<b>Balance as at 31st March 2021</b>	<b>514.40</b>	<b>0.05</b>	<b>596.61</b>	<b>1,111.06</b>
Total Comprehensive				-
Profit for the year			(318.29)	(318.29)
Other comprehensive income for the year			2.34	2.34
Set off of Dividend Tax in respect of Dividend from Subsidiary Company			-	-
Tax Effect on Othe Comprehensive Income			-	-
Interim Dividend			-	-
Tax on Interim Dividend			-	-
<b>Balance as at 31st March 2022</b>	<b>514.40</b>	<b>0.05</b>	<b>280.66</b>	<b>795.11</b>

As per our attached report of even date  
For M/s Kastury & Talati  
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**Dhiren P. Talati**  
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Membership No. F/41867  
Mumbai,30th April 2022

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Mumbai,30th April 2022

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Director

**Phiroze Sethna Private Limited**  
**Cash Flow Statement for the year ended 31st March, 2022**

Particulars		31st March, 2022 Rs. In Lakhs	31st March, 2021 Rs. In Lakhs
<b>A)</b>	<b>Cash Flow From Operating Activities:</b>		
	<b>Net Profit before Tax</b>	(311.19)	(8.41)
	Depreciation	9.03	23.20
	Tax Expenses	7.10	(29.45)
	OCI	2.34	18.85
	Finance Cost	13.82	7.28
	Fair value of Investments	10.81	(222.24)
	(Profit) / Loss on Sale of Investment	(35.78)	(21.69)
	Dividend Income	(3.03)	(2.61)
	Interest Income	(1.05)	(1.63)
	(Profit) / Loss on Sale of Property, Plant and Equipment	0.09	(9.12)
	<b>Operating Profit before Working Capital Changes</b>	<b>(307.85)</b>	<b>(245.83)</b>
	Trade and Other Receivables	(252.28)	(37.61)
	Inventories	138.24	(65.59)
	Loans & other financial assets	4.74	(53.13)
	Current Tax Assets (Net)	(8.15)	-
	Other Current Assets	3.68	37.37
	Borrowings	(23.97)	95.72
	Trade and Other Payables	101.80	96.46
	Other Current liabilities	79.08	(99.12)
	Current Tax Liabilities (Net)	(6.75)	(21.02)
	Provisions	(12.00)	13.01
	<b>Cash Generated from Operations</b>	<b>(283.46)</b>	<b>(279.72)</b>
	Taxes paid(Net)	12.33	18.70
	<b>Cash Flow from Operating Activities</b>	<b>A (271.12)</b>	<b>(261.03)</b>
<b>B)</b>	<b>Cash Flow from Investing Activities:</b>		
	Purchase of Property, Plant and Equipment	(0.64)	(19.48)
	Sale of Property, Plant and Equipment	8.20	144.65
	Purchase of Investments	-	(132.00)
	Sale of Investments	253.10	250.94
	OCI	-	-
	Interest Income	1.05	1.63
	Interest Paid	(13.82)	(7.28)
	Sale of Property, Plant and Equipment	(0.09)	9.12
	Dividend Received	3.03	2.61
	<b>Net Cash used in Investing Activities</b>	<b>B 250.82</b>	<b>250.19</b>
<b>C)</b>	<b>Cash Flow from Financing Activities:</b>		
	Dividend Paid-On Equity Shares including Tax	-	-
	Bank Overdraft repayment	-	-
	Net Cash used in Financing Activities	C -	-
	<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>A+B+C (20.30)</b>	<b>10.84</b>
	<b>Cash and Cash Equivalent at the beginning of the year</b>	<b>28.69</b>	<b>17.86</b>
	<b>Cash and Cash Equivalent at the end of the year</b>	<b>8.39</b>	<b>28.69</b>

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**Rashmi S. Gavli**  
Director  
Din: 08001649

## Notes to the Financial Statements

For the year ended March 31, 2022

### 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 Plastics, 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 Plasticsols, PVC Sealants, PVC Underbody Coatings, PVC Organisolts 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 Sethna Private Limited

Notes on Financial Statements for the year ended 31st March, 2022

2 Property, Plant & Equipment

Amount (Rs.in lakhs)

	Gross Block				Accumulated Depreciation				Revaluati on of assets (> 10%)	Impairm ent of assets	Net Block	
	As at April 1, 2021	Additions during the Year	Deletions during the Year	As at Mar 31, 2022	As at April 1, 2021	Additions during the Year	Deletions during the Year	As at Mar 31, 2022			As at March 31, 2022	As at Mar 31, 2021
<b>Property, Plant &amp; Equipment</b>												
Land - Leasehold*	0.06	-	-	0.06	-	-	-	-	-	-	0.06	0.06
Factory Building	79.69			79.69	11.66	2.00		13.65	-	-	66.03	68.03
Machinery & Equipment	43.28		11.20	32.08	11.03	3.91	3.49	11.45	-	-	20.64	32.26
Electrical Installations	20.06	0.62	0.50	20.18	5.93	1.45	0.03	7.36	-	-	12.82	14.13
Computer Equipment	15.51	0.02	2.34	13.20	12.90	0.57	2.08	11.39	-	-	1.81	2.62
Furniture & Fixtures	9.23	-	0.61	8.62	3.25	1.10	0.21	4.14	-	-	4.48	5.99
Vehicles	-	-		-				-	-	-	-	-
<b>Total</b>	<b>167.84</b>	<b>0.64</b>	<b>14.65</b>	<b>153.83</b>	<b>44.76</b>	<b>9.03</b>	<b>5.81</b>	<b>47.99</b>	<b>-</b>	<b>-</b>	<b>105.83</b>	<b>123.07</b>

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

3	<b>Non-Current Investments</b>	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
	<u>(Long Term Investment In Shares)</u>		
	<b>UNQUOTED (at Amortised Cost)</b>		
	<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	173.18	181.17
	3,800 (3,800 ) Equity Shares Tata Consultancy Services Limited of Re.1/- each fully paid up	142.07	120.75
	Total	<u>319.68</u>	<u>306.35</u>
	Market value of Quoted Investments	315.25	301.92
	Aggregate amount of Unquoted Investments	4.43	4.43
4	<b>Other Financial Assets</b> (Unsecured & considered good)	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
	Other Deposits	2.63	2.63
	Gratuity Deposit	52.44	57.17
	Total	<u>55.06</u>	<u>59.80</u>
5	<b>Deferred Tax</b>	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
	Property, Plant and Equipment	(10.74)	(9.97)
	Provision for Employee benefits	-	-
	Fair Value of Investments	38.89	34.03
	Expenses disallowed under Sec 43B	3.13	2.44
	Minimum Alternate Tax	72.70	82.75
	Provision for Doubtful Debts	3.93	5.79
	Total	<u>107.91</u>	<u>115.04</u>



## Notes on Financial Statements for the year ended 31st March, 2022

		As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
<b>6</b>	<b>Income Tax Assets (net)</b>		
	Income Tax (Net of Provisions)	12.33	18.70
	Total	<u>12.33</u>	<u>18.70</u>
<b>7</b>	<b>Inventories</b> (At lower of cost & net realisable value)		
	Raw Material	57.28	145.09
	Packing Material	2.85	19.28
	Finished Goods	22.11	56.12
	Total	<u>82.25</u>	<u>220.49</u>
<b>8</b>	<b>Current Investments</b>		
	<u>Investments In Mutual Funds - Quoted</u> (at Fair Value through Profit or Loss)		
	NIL(7,390.087) Units HDFC Equity Fund-Growth	-	58.93
	21,739.866(73,381.677) Units Kotak Standard Multicap Fund-Growth	11.30	32.99
	15,355.071(50,144.867) Units Mirae Asset India Equity Fund Fund-Regular Growth	11.89	32.85
	18,393.226(63,508.966) Units SBI Blue Chip Fund-Regular Growth	11.06	32.89
	NIL(1,80,212.211)Units Kotak Bond Short Term Fund	-	73.63
	NIL (2,72,343.50) Units ICICI Prudential Corporate Bond Fund	-	61.79
	Total	<u>34.25</u>	<u>293.08</u>
	Market value of Quoted Investments	34.25	293.08
<b>9</b>	<b>Trade Receivables</b>		
	a) Considered good - Secured	-	-
	b) Considered good -Unsecured	642.60	390.31
	c) Trade receivables -Significant risk	14.12	20.80
	d) Trade receivables -credit impaired		
		<u>656.72</u>	<u>411.11</u>
	Less : Trade receivables -Significant risk	<u>(14.12)</u>	<u>(20.80)</u>
	Total	<u>642.60</u>	<u>390.31</u>
a	For Related party transactions Refer Note 33		

**Notes on Financial Statements for the year ended 31st March, 2022**

		As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
<b>10</b>	<b>Cash And Cash Equivalents</b>		
	<b>Balances with Bank</b>		
	In Current Accounts	8.32	27.97
	Cash on hand	0.07	0.72
	<b>Total</b>	<b>8.39</b>	<b>28.69</b>
<b>11</b>	<b>Other Bank Balances</b>		
	Margin money (Including deposits with original maturity of more than 3 months)	23.75	18.75
	<b>Total</b>	<b>23.75</b>	<b>18.75</b>
<b>12</b>	<b>Other Current Assets</b>		
	Gst Receivable (net)	0.00	6.69
	Interest Accrued	0.32	0.34
	Prepaid expenses	1.56	1.91
	Gratuity Deposit	6.46	3.09
	<b>Total</b>	<b>8.34</b>	<b>12.02</b>

**Notes on Financial Statements for the year ended 31st March, 2022**

13	Share Capital	As at	As at
		31/03/2022	31/03/2021
		(Rs. In lakhs)	(Rs. In lakhs)
	<b>Authorised</b>		
	(5,000) Equity Shares of Rs.100/- each	5.00	5.00
	(4,950) Unclassified Shares of Rs.100/- each	4.95	4.95
	(9.50% )Cumulative Redeemable Preference Shares of Rs.100/-each	0.05	0.05
		<b>10.00</b>	<b>10.00</b>
	<b>Issued, Subscribed and Paid up</b>		
	4,000 Equity Shares of Rs.100/- each fully paid up	4.00	4.00
	(All the 4,000 Equity Shares are held by Chembond Chemiclac Ltd, the holding Company)		
	<b>Total</b>	<b>4.00</b>	<b>4.00</b>

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

Name of the Shareholder	As at 31/03/2022	As at 31/03/2021
	No of Shares	No of Shares
Chembond Chemicals Limited & its nominees 100%	4,000	4,000
Shareholding of Chembond Chemicals Limited includes 6 shares held by individuals as nominees of the Company.		

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

	As at 31/03/2022	As at 31/03/2021
	No of Shares	No of Shares
Number of Share outstanding at the beginning of the year	4,000	4,000
Additions during the year		
- Sub division of Equity shares from face value Rs.10 to Rs.5/- per share	-	-
-ESOP Share issued	-	-
Deduction during the year	-	-
Number of Share outstanding at the end of the year	<b>4,000</b>	<b>4,000</b>

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

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

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

**D Details of shareholding of Promoters****Disclosure of shareholding of promoters as at March 31, 2022 is as follows:****Shares held by promoters at the end of the year**

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

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

**Disclosure of shareholding of promoters as at March 31, 2021 is as follows:****Shares held by promoters at the end of the year**

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

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

## Notes on Financial Statements for the year ended 31st March, 2022

14	<b>Other Equity</b>	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
	<b>Capital Redemption Reserve</b>		
	Opening Balance	0.05	0.05
	Closing Balance	0.05	0.05
	<b>General Reserve</b>		
	As per last year	514.40	514.40
	Add: Transfer from Profit & Loss A/c.	-	-
		514.40	514.40
	<b>Retained Earnings</b>		
	As per last year	596.63	556.72
	Add: Profit for the Year	(318.29)	24.19
	Add: Excess Provision related to Previous years written back	-	-
		278.35	580.92
	Less: Appropriations		
	Transferred to General Reserve	-	-
	Other Comprehensive Income	2.34	18.85
	Tax Effect on Othe Comprehensive Income	-	(3.15)
	Interim Dividend	-	-
	Set off of Dividend Tax in respect of Dividend from Subsidiary Company	-	-
	Tax on Interim Dividend	-	-
		280.69	596.62
	<b>Total</b>	<b>795.14</b>	<b>1,111.07</b>

15	<b>Borrowings</b>	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
	<b>Secured</b>		
	Over Draft Facilities from Banks	-	68.97
	<b>Unsecured</b>		
	Loan Received From Chembond Chemicals Ltd	90.00	45.00
	<b>Total</b>	<b>90.00</b>	<b>113.97</b>

a Over draft facility are Secured against stock

16	<b>Trade Payables</b>	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
	Micro, Small and Medium Enterprises	64.02	71.73
	Others	345.60	236.09
	<b>Total</b>	<b>409.62</b>	<b>307.82</b>

a For Related party transaction Refer Note No.33

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

	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
Principal amount due to suppliers under MSMED Act, 2006	64.02	71.73
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	0.52	0.02
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.		

## Notes on Financial Statements for the year ended 31st March, 2022

<b>17</b>	<b>Other Current Liabilities</b>	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
	Statutory Dues	44.11	2.16
	Other payable	42.89	5.76
	Total	87.00	7.92
<b>18</b>	<b>Provisions (Current)</b>	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
	Provision for Employees Benefits	22.78	34.78
	Total	22.78	34.78
<b>19</b>	<b>Current Tax Liabilities (Net)</b>	As at 31/03/2022 (Rs. In lakhs)	As at 31/03/2021 (Rs. In lakhs)
	Income Tax	(8.15)	6.75
	Total	(8.15)	6.75
<b>20</b>	<b>Revenue From Operations</b>	2021-22 (Rs. In lakhs)	2020-21 (Rs. In lakhs)
	Sales	2,278.35	1,589.45
	<b>Other Operating revenue</b>		
	Miscellaneous Income	2.25	1.68
	<b>Net Sales</b>	2,280.60	1,591.13
<b>21</b>	<b>Other Income</b>	2021-22 (Rs. In lakhs)	2020-21 (Rs. In lakhs)
	Dividend from Equity Investments	3.03	2.61
		3.03	2.61
	Net gain on Sale/fair valuation of investments through profit & loss *	24.98	243.93
	Gross Interest {TDS Rs. 0.06 lakhs (Rs. 0.08 lakhs)}	1.05	1.63
	Net Gain on Sale of Fixed Assets	-	9.12
	Mangement Concultancy fees Received {TDS Rs.5.72 lakhs(Rs.5.72 lakhs)}	57.24	57.24
	Miscellaneous Income	0.64	7.72
	Insurance Proceeds	0.79	-
	Rent Received{TDS Rs.0.13 lakhs (Rs.0.25 lakhs)}	1.28	3.24
	Discount Allowed	10.82	0.12
	Total	99.83	325.61
	For Related party transaction Refer Note No.33		
<b>22</b>	<b>Cost Of Materials Consumed</b>	2021-22 (Rs. In lakhs)	2020-21 (Rs. In lakhs)
	<b>Raw Material Consumed</b>		
	Purchases	1,895.30	1,170.17
	Packing Material Consumed	164.75	101.38
	Total	2,060.05	1,271.55
<b>23</b>	<b>Changes In Inventory Of Finished Goods, Work In Progress And Traded Goods</b>	2021-22 (Rs. In lakhs)	2020-21 (Rs. In lakhs)
	Finished products/ Stock in Trade (At Close)	22.11	56.12
	Finished products/ Stock in Trade (At commencement)	56.12	42.77
	Total	34.01	- 13.35

## Notes on Financial Statements for the year ended 31st March, 2022

24 Employee Benefit Expenses	2021-22	2020-21
	(Rs. In lakhs)	(Rs. In lakhs)
Salaries & Wages	281.11	313.31
Contribution to Provident & other funds	27.68	31.23
Staff Welfare Expenses	16.67	15.85
Total	<b>325.46</b>	<b>360.40</b>

- a For Related party transaction Refer Note No.33  
b The Company's obligation towards the Gratuity Fund is a Defined Benefit Plan. Details of actuarial Valuation are as follows:

Particulars	2021-22 (Rs. In lakhs)	2020-21 (Rs. In lakhs)
Opening defined benefit obligation	108.90	126.89
Current service cost	7.75	8.56
Interest on defined benefit obligation	7.42	8.31
(Benefits paid)	(49.88)	(24.28)
Actuarial loss / (gain) arising from change in financial assumptions	-	-
Actuarial loss / (gain) arising from changes in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	(6.34)	(10.57)
Closing defined benefit obligation	<b>67.86</b>	<b>108.90</b>
<b>Changes in the fair value of assets in case of Gratuity representing reconciliation of opening and closing balances thereof:</b>		
Opening fair value of plan assets	169.16	183.76
Employer contributions	-	-
Interest on plan assets	11.47	12.04
Actual return on plan assets less interest on plan assets	(4.00)	(2.36)
Benefit paid	(49.88)	(24.28)
Closing fair value of plan assets	<b>126.76</b>	<b>169.16</b>
<b>Actuarial assumption:</b>		
Discount rate	6.80%	6.72%
Salary escalation	7.00%	7.00%
<b>Profit &amp; Loss Account Expense</b>		
Current service cost	7.75	8.56
Interest on net defined benefit liability / (assets)	(4.05)	(3.73)
(Gains) / losses on settlement	-	-
Closing fair value of plan assets	<b>3.70</b>	<b>4.84</b>
<b>Reconciliation of Net Liability / Asset</b>		
Opening net defined benefit liability / (asset)	(60.26)	(56.88)
Expense charged to profit & loss account	3.70	4.84
Amount recognized outside profit & loss account	(2.34)	(8.22)
Employer contributions	-	-
Closing fair value of plan assets	<b>(58.90)</b>	<b>(60.26)</b>

**Sensitivity analysis**

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

	As at 31st March, 2022		As at 31st March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(8.90)	10.00	(8.54)	7.59
Future salary growth (1% movement) - Gratuity	9.80	(8.90)	8.44	(7.63)

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

**Expected future cash flows**

The expected maturity analysis is as follows :	For year ended 31.3.2022	For year ended 31.3.2021
Expected benefits for year 1	0.90	8.97
Expected benefits for year 2	0.98	10.80
Expected benefits for year 3	1.09	10.25
Expected benefits for year 4	1.19	16.65
Expected benefits for year 5	1.30	41.97
Expected benefits for year 6 and above	62.44	113.84

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.

## Notes on Financial Statements for the year ended 31st March, 2022

25 Finance Cost		2021-22	2020-21
		(Rs. In lakhs)	(Rs. In lakhs)
Interest Expense			
- Banks		5.51	2.54
- MSME		0.52	0.02
- Others		7.79	4.72
Total		13.82	7.28
26 Depreciation And Amortisation Expenses		2021-22	2020-21
		(Rs. In lakhs)	(Rs. In lakhs)
Depreciation and Amortisation Expenses		9.03	23.20
Total		9.03	23.20
27 Other Expenses		2021-22	2020-21
		(Rs. In lakhs)	(Rs. In lakhs)
<b>Manufacturing Expenses</b>			
Power, Fuel & Water Charges		6.32	9.22
Godown Rent		14.71	16.03
Labour Charges		38.40	43.28
Factory Maintenance		15.05	21.99
<b>A</b>		<b>74.48</b>	<b>90.53</b>
<b>Administrative Expenses</b>			
Director's Sitting Fees		0.31	0.04
Rates & Taxes		0.87	9.11
Electricity charges		1.45	1.42
Printing and stationary		0.98	1.41
Telephone & Postage Expenses		2.37	2.61
Insurance		3.20	6.04
Motor car expenses		2.09	0.94
Auditors Remuneration		3.66	3.48
Legal, Professional & consultancy fees		3.38	12.32
Repairs & Maintenance Buildings		-	2.59
Repairs & Maintenance Others		4.75	5.47
Carriage & Freight		11.39	43.78
Miscellaneous expenses		7.57	12.10
Loss on Sale of Fixed Assets		0.09	-
Foreign Exchange Fluctuation Loss		2.47	0.70
Reimbursement of expenses		30.00	6.24
Input GST Disallowed		0.01	0.02
Provision for Doubtful Debts		(6.68)	20.80
Debit Balance Written Off		1.55	0.02
Bad Debts Written Off		1.33	1.41
<b>B</b>		<b>70.79</b>	<b>130.52</b>
<b>Selling And Distribution Expenses</b>			
Rent		0.01	0.02
Incentive		36.78	0.00
Travelling Expenses		8.69	7.66
Conveyance expenses		58.50	47.34
<b>C</b>		<b>103.97</b>	<b>55.02</b>
<b>(A+B+C)</b>		<b>249.25</b>	<b>276.07</b>
a Auditor's Remuneration consists of:		2021-22	2020-21
		(Rs. In lakhs)	(Rs. In lakhs)
Statutory Audit Fees		2.13	2.03
Tax Audit Fees		0.91	0.87
Taxation and Other Matters		0.61	0.58
Total		3.66	3.48
b For Related party transaction Refer Note No.33			

**Phiroze Sethna Private Limited**

**Notes on Financial Statements for the year ended 31st March, 2022**

28	<b>Earnings Per Share</b>	2021-22	2020-21
	Net Profit available to Equity Shareholders (Rs. In Lakhs)	(318.29)	24.19
	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)	(7,957.21)	604.64
	Diluted No. of Equity Shares	4,000	4,000
	Diluted Earnings per Share (in Rupees)	(7,957.21)	604.64
29	<b>Value Of Imports Calculated On CIF Basis</b>	2021-22	2020-21
		(Rs. In lakhs)	(Rs. In lakhs)
	Raw Materials and Finished Goods	49.29	67.34
30	<b>Contingent Liabilites not provided for are in respect of :</b>		
	Particulars	2021-22	2020-21
		(Rs. In lakhs)	(Rs. In lakhs)
	On account of Non Receipt of C Forms	NIL	NIL





### 33 Disclosure of Ratios :

	Ratios	As at March 31/03/2022	As at March 31/03/2021
a	Current Ratio		
	= Current Assets/Current Liabilities	1.33	2.04
b	Debt Equity Ratio		
	= (Short Term Debt+Long Term Debt+Other Fixed Payments)/ Shareholder's Equity	0.11	0.10
c	Debt Service Coverage Ratio	26.70	17.09
	= Net Operating Income/ Debt Service		
d	Return on Equity Ratio		
	= Net Income/ Shareholders Equity	(0.39)	(0.01)
e	Inventory Turnover Ratio		
	= Cost of Goods Sold/ Average Inventory	13.83	6.70
f	Trade Receivables Turnover Ratio		
	= Net Credit sales/ Average Accounts Receivable	4.42	4.28
g	Trade Payable Turnover Ratio		
	= Credit Purchases/ Average Accounts Payable	5.45	5.10
h	Net Capital Turnover Ratio		
	= Net Sales/ Working Capital	11.50	3.23
i	Net Profit Ratio		
	= Net Profit/ Net Sales	(0.14)	0.02
j	Return on Capital Employed		
	= Earnings Before Interest and Tax/ Capital Employed	(74.34)	(0.28)
k	Return on Investment		
	= Net Return on Investment/ Cost of Investment	(0.13)	(0.40)

**Phiroze Sethna Private Limited**

**Note 34:**

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

**a) Relationship:**

**i. Holding Company :**

Chembond Chemicals Limited

**ii. Subsidiary Company :**

Gramos Chemicals India Private Limited

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

Chembond Material Technologies Private Limited  
Chembond Biosciences Limited  
Chembond Polymers and Materials Limited  
Chembond Water Technologies Limited  
Chembond Calvatis Industrial Hygiene Systems Limited  
Chembond Distribution Limited

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

**Key Management Personnel :**

Mr. Sameer V Shah  
Mr. Nirmal V Shah  
Mrs. Rashmi Gavli  
Mr. Mahendra Ghelani  
Mr. Sharad Wagle  
Mr. Aspi Godrej  
Mrs. Parviz Batiwala

**Relatives :**

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

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

Balu Investments Services Private Limited  
Bullows India Private Limited  
CCL Opto Electronics Private Limited  
Finor Piplaj Chemicals Limited  
S and N Venturs Private Limited  
Visan Holdings and Financial Services Private Limited  
Oriano Clean Energy Private Limited  
Chembond Clean Water Technologies Limited

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

**Rs in Lakhs**

For the year ended as on	31.03.2022				31.03.2021			
	Holding	Subsidiary	Associates/ Fellow Subsidiary	KMP	Holding	Subsidiary	Associates/ Fellow Subsidiary	KMP
<b>Sale of Goods</b>								
Chembond Chemicals Limited	15.23				4.98			
Gramos Chemicals India Private Limited		0.62				0.93		
Chembond Material Technologies Pvt Ltd			2,054.23				367.75	
<b>Sales Of Fixed Assets</b>								
Chembond Chemicals Limited	0.04							
Gramos Chemicals India Private Limited		8.67				181.36		
Chembond Bioscience Ltd			0.02					
<b>Sales Of Consumables</b>								
Chembond Material Technologies Pvt Ltd							0.03	
Gramos Chemicals India Private Limited		0.55				7.01		
<b>Reimbursement Income</b>								
Chembond Material Technologies Pvt Ltd			1.05				0.50	
<b>Management Fees Received</b>								
Gramos Chemicals India Private Limited		57.24				57.24		
<b>Rent Received</b>								
Chembond Material Technologies Pvt Ltd			1.28				3.24	
<b>Rent Paid</b>								
Gramos Chemicals India Private Limited		13.32						
<b>Telephone Expenses</b>								
Chembond Chemicals Limited	0.29				0.27			
Chembond Material Technologies Pvt Ltd			0.18				0.03	
<b>Advertisement Expenses</b>								
Chembond Chemicals Limited					0.09			
<b>Comuter Expenses</b>								
Chembond Chemicals Limited					0.14			

Phiroze Sethna Private Limited

Note 34: (continued)

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

Rs in Lakhs

For the year ended as on	31.03.2022				31.03.2021			
	Holding	Subsidiary	Associates/ Fellow Subsidiary	KMP	Holding	Subsidiary	Associates/ Fellow Subsidiary	KMP
<b>Reimbursement Expense</b>								
Chembond Chemicals Limited	15.84				6.30			
Gramos Chemicals India Private Limited		1.47						
Chembond Material Technologies Pvt Ltd			0.17					
<b>Salary Cost Reimbursement Expense</b>								
Chembond Chemicals Limited	2.04							
Chembond Material Technologies Pvt Ltd			112.28				45.36	
<b>Purchase of Goods</b>								
Chembond Chemicals Limited	85.69				0.19			
Gramos Chemicals India Private Limited		2.52				0.05		
Chembond Material Technologies Pvt Ltd			89.38				45.71	
Chembond Bioscience Ltd			0.08					
<b>Purchase of Fixed Assets</b>								
Chembond Chemicals Limited					2.12			
<b>Purchase of Consumables</b>								
Chembond Chemicals Limited					0.73			
<b>Interest Paid</b>								
Gramos Chemicals India Private Limited						2.53		
Chembond Chemicals Limited	7.79				1.14			
<b>Contribution To PM Fund</b>								
Chembond Chemicals Limited					1.93			
<b>Loan Taken</b>								
Chembond Chemicals Limited	90.00				45.00			
<b>Balance at the end of the year</b>								
<b>A.Trade Receivables</b>								
Gramos Chemicals India Private Limited		45.48				6.41		
Chembond Material Technologies Pvt Ltd			440.25				145.90	
<b>B.Trade Payables</b>								
Chembond Chemicals Limited	103.92				2.62			
Chembond Bioscience Ltd			0.10					
<b>C.Directors Sitting Fees</b>								
Mr.Mahendra Ghelani				0.31				0.02
<b>D.Directors Consultancy</b>								
Mr.S.K.Wagle				7.50				21.23
Mr.A.P.Godrej				7.25				18.19

**35 Financial instruments – Fair values and risk management**  
**A. Accounting classification and fair values**

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

Rs in Lakhs								
	As at 31 March 2022							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents (Including other bank balances)			32.14	32.14				-
Investments								
- Mutual Funds	34.25			34.25	34.25			34.25
- Equity Shares (Quoted)	315.25			315.25	315.25			315.25
- Equity Shares (Unquoted)			4.43	4.43				-
Trade and other receivables			642.60	642.60				-
Loans			-	-				-
Other financial assets			55.06	55.06				-
<b>TOTAL</b>	<b>349.50</b>	<b>-</b>	<b>734.23</b>	<b>1,083.73</b>	<b>349.50</b>	<b>-</b>	<b>-</b>	<b>349.50</b>
<b>Financial liabilities</b>								
Long term borrowings (Including current maturity of Long term borrowings)			-	-				-
Short term borrowings			90.00	90.00				-
Trade and other payables			64.02	64.02				-
Other financial liabilities			-	-				-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>154.02</b>	<b>154.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Rs.in Lakhs								
	As at 31 March 2021							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents (Including other bank balances)			47.44	47.44				-
Investments								
- Mutual Funds	293.08			293.08	293.08			293.08
- Equity Shares (Quoted)	301.92			301.92	301.92			301.92
- Equity Shares (Unquoted)			4.43	4.43				-
Trade and other receivables			390.31	390.31				-
Loans			-	-				-
Other financial assets			59.80	59.80				-
<b>TOTAL</b>	<b>595.00</b>	<b>-</b>	<b>501.99</b>	<b>1,096.99</b>	<b>595.00</b>	<b>-</b>	<b>-</b>	<b>595.00</b>
<b>Financial liabilities</b>								
Long term borrowings (Including current maturity of Long term borrowings)			-	-				-
Short term borrowings			113.97	113.97				-
Trade and other payables			71.73	71.73				-
Other financial liabilities			-	-				-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>185.70</b>	<b>185.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**B. Measurement of fair values**

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

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

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

**Transfers between Levels**

There are no transfers between the levels

**C. Financial risk management**

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

**i. Risk management framework**

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

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

**ii. Credit risk**

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

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

**Trade and other receivables**

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

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

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

**Cash and cash equivalents**

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

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

**iii. Liquidity risk**

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

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

**iv. Market risk**

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

**a) Currency risk**

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

**Exposure to currency risk**

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

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

Currency	Exposure to buy/sell	As at 31/03/2022		As at 31/03/2021	
		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 31/03/2022		As at 31/03/2021	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
US Dollars	Buy	0.90	64.72	0.22	15.72
US Dollars	Sell	0.00	0.00	0.00	0.00

**b) Interest rate risk**

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

**36 Tax Reconciliation**

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

Particulars	2021-2020 (Rs. In lakhs)	2019-2020 (Rs. In lakhs)
Current Income Tax	-	22.73
Deferred Tax Expense	7.13	(55.33)
	(0.03)	
<b>Tax expense for the year</b>	<b>7.10</b>	<b>(32.60)</b>

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

Profit before income tax expense	(313.53)	(27.26)
Indian statutory income tax rate (MAT)	16.69%	16.69%
Expected Income Tax expenses	-	-
Part A		
Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
Income exempt from income taxes	-	-
Additional allowances/deduction	-	3.47
Transition gain	-	20.66
Short/excess	-	0.03
Others	-	1.40
Current Tax (A)	-	0.03
Part B		
Deferred Tax Effect at the rate of:	27.82%	27.82%
Depreciation	-	-
Investments at Fair Value	-	-
Less:		
Depreciation	(0.77)	(5.96)
Investments at Fair Value	4.86	34.03
Gratuity	-	-
MAT Credit	(10.05)	27.39
Other Deferred tax Asset	0.69	(5.92)
Provision for Doubtful Debts	(1.86)	5.79
Deferred Tax (B)	7.13	(55.33)
<b>Tax Expense (A+B)</b>	<b>7.10</b>	<b>(32.60)</b>

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

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

On behalf of the Board of Directors

*sd/-*  
**S.K.Wagle**  
Director  
Din : 00371023

*sd/-*  
**Sameer V. Shah**  
Director  
Din: 00105721

*sd/-*  
**CA Dhiren P. Talati**  
Partner  
Membership No. F/41867  
Mumbai, 30th April 2022

*sd/-*  
**Aspi Godrej**  
Director  
Din : 00371135  
Mumbai, 30th April 2022

*sd/-*  
**Rashmi S. Gavli**  
Director  
Din: 08001649

# **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, 2022, 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, 2022, 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. 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

...2...

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.

#### 4. **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.

...3...



- 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.

## 5. Report on Other Legal and Regulatory Requirements

- A) As required by the Companies (Auditor's Report) Order, 2020 ("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, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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.

sd/-

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

Place: Mumbai  
Date : 30<sup>th</sup> April, 2022

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

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

The Annexure Referred to in paragraph 5A 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, 2022.

- 1) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B) The Company has maintained proper records showing full particulars of Intangible Assets.  
  
(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the company.  
  
(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment or intangible assets during the year under consideration.  
  
(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, No proceedings have been initiated or are pending against the Company for holding any Benami Property under the Benami Transactions (Prohibitions) Act, 1988 and Rules made there under.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals and in our opinion the coverage and procedure of such verification by the management is appropriate. As informed to us, discrepancies of 10% or more in the aggregate for each class of Inventory on physical verification of the inventory as compared to books records has not been noticed.  
  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company, during any point of time of the year, has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- 3) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year under consideration the Company has not made investments in, provided any guarantee or security or granted any Loans or advances in the nature of loans, Secured or Unsecured, to Companies, Firms, Limited Liability Partnerships or any Other Parties. Therefore, the provisions of clause 3(iii)(a) to 3(iii)(f) 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 or amounts which are deemed to be deposits and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under Sub Section (1) of Section 148 of the Act, in respect of any of the products or services of the Company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other statutory dues as applicable with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date they become payable.

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

- 8) According to the information and explanations given to us and the records of the company examined by us, the Company does not have any transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the Tax assessments under the Income Tax Act, 1961.
- 9) (a) According to the information and explanations given to us and the records of the company examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.  
  
(b) According to the information and explanations given to us and the records of the company examined by us, the Company is not declared willful defaulter by any bank or financial institution or any other lender.  
  
(c) According to the information and explanations given to us and the records of the company examined by us, the Company has not obtained any term loans.

- (d) Based upon the audit procedures performed, the information and explanations given to us and the records of the company examined by us, the funds raised on short term basis have not been utilized for long term purposes.
- (e) Based upon the audit procedures performed, the information and explanations given to us and the records of the company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) Based upon the audit procedures performed, the information and explanations given to us and the records of the company examined by us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- 10) (a) Based upon the audit procedures performed, the information and explanations given to us and the records of the company examined by us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- (b) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- 11) (a) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, no material fraud by the Company or on the company has been noticed or reported during the year.
- (b) We have not filed any report under sub section (12) of Section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

- 14) (a) In our opinion and based on our examination, the company does not have an internal audit system and is also not required to have an internal audit system as per provisions of the Companies Act 2013.
- (b) In view of the above, the provisions of clause 3(xiv)(b) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with its directors. Accordingly, the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16) (a) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, in our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.
- (b) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, in our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, in our opinion, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, the group does not have any Core Investment Company (CIC).
- 17) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, the Company has incurred cash losses of ₹ 309.25 lakhs during the year under consideration. However, the Company had not incurred cash loss in the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors during the year and accordingly the provisions of clause 3(xviii) of the Order are not applicable to the Company.

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- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- 20) In our Opinion, the provisions of section 135 are not applicable to the Company. Accordingly, the provisions of clause 3(xx) of the order are not applicable to the Company.
- 21) Based on the Second Proviso of Rule 6 of the Companies (Accounts) Rules, 2014 provisions for Consolidated Financial Statements are not applicable to the Company, as the Ultimate Holding Company prepares and files Consolidated Financial Statements with the registrar. Accordingly, the provisions of clause 3(xxi) of the order are not applicable to the Company.

sd/-

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

Place: Mumbai  
Date: 30<sup>th</sup> April, 2022

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

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

The Annexure Referred to in paragraph 5B(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, 2022.

### **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, 2022 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, 2022, 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.

sd/-

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

Place: Mumbai  
Date: 30<sup>th</sup> April, 2022

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