

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Chembond Clean Water Technologies Limited**

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

#### Opinion

We have audited the financial statements of Chembond Clean Water Technologies Limited ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March 2023, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March 2023, and Profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's reports thereon.

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for





expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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- Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the financial statements.

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in Annexure A, as required by Section 143 (3) of the Act, we report that:



- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law relating to preparation of the financial statements have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance sheet, the statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these financial statements;
  - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023, 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**”.
3. With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There were no pending litigations which would impact the financial position of the Company;
  - ii. the Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amount required to be transferred to Investor Education and Protection Fund by the Company in accordance to the provision of the Act, and rules made there under.
  - iv. a) The management has represented that, to the best of its knowledge and belief as disclosed in note no. 40(D), no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(entities), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.
  - b) The management has represented that to the best of its knowledge and belief as disclosed in note no. 40(E), no funds have been received by the Company from any person(s) or entity(entities), including foreign entities (“Funding Parties”), with the Understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any





manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that management representations under sub-clause (a) and (b) above contain any material misstatement.

- v. The Company has not declared or paid dividend during the year ended 31<sup>st</sup> March, 2023.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company, the reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

In our opinion and according to the information and explanations given to us, the Company has not paid and / or provided remuneration to its directors during the year ended 31<sup>st</sup> March, 2023 and hence the provisions of Section 197 of the Act are not applicable to the company.

For **Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063



**Jatin A. Thakkar**

Partner

Membership No.: 134767

**UDIN : 23134767BGWAAT5896**

**Place : Mumbai**

**Date : 13<sup>th</sup> May, 2023**



## Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31<sup>st</sup> March, 2023)

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

- (i)
- (a) [A] The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- [B] The Company has maintained proper records showing full particulars of Intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment, under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment and intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) The Company does not have a working capital limit in excess of Rs.500.00 lakhs sanctioned by a bank based on the security of current assets. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) 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 made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, reporting under clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.
- (iv) 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. Accordingly, reporting under clause 3(iv) of the aforesaid Order is not applicable to the Company.





(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) According to the information given to us, Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013, in case of the Company. Accordingly, reporting under clause(vi) of the aforesaid Order is not applicable to the company.

(vii)

(a) As per information and explanations given to us, undisputed statutory dues including provident fund, employees' state insurance, income tax, profession tax, Goods and Service Tax, custom duty, cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been delays in deposit in a few cases which are not serious. Further, there are no undisputed amounts payable in respect of above-mentioned statutory dues which were in arrears, as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable.

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

Name of statute	Nature of the Dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax (TDS)	0.04	FY 2021-22 & FY 2022-23	Assistant commissioner of Income Tax, CPC-TDS
<b>TOTAL</b>		<b>0.04</b>		

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

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

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

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

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

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

(f) According to the information and explanations given to us, the Company has not raised any loans



during the year on the pledge of securities held in its subsidiaries.

- (x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) In our opinion and based on our examination, the Company is not required to have an internal audit system as per Section 138 of the Act. Accordingly, reporting under clauses 3(xiv)(a) and 3(xiv)(b) of the Order are not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.





- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the plans of the Board of Directors and management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly, reporting under clause (xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063



**Jatin A. Thakkar**

Partner

Membership No.: 134767

**UDIN : 23134767BGWAAT5896**

**Place : Mumbai**

**Date : 13<sup>th</sup> May, 2023**



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

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31<sup>st</sup> March, 2023)

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

We have audited the internal financial controls over financial reporting of Chembond Clean Water Technologies Limited ("the Company") as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;





(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063



**Jatin A. Thakkar**

Partner

Membership No.: 134767

**UDIN : 23134767BGWAAT5896**

**Place : Mumbai**

**Date : 13<sup>th</sup> May, 2023**

**Chembond Clean Water Technologies Limited**  
**Balance Sheet as at 31st March 2023**

	Notes	As at 31/03/2023 (Rs. In lakhs)	As at 31/03/2022 (Rs. In lakhs)
<b>I ASSETS</b>			
1 Non-current assets			
(a) Property, plant and equipment	3	6.61	7.41
(b) Other Intangible Assets	3	0.59	0.63
(c) Financial Assets			
i) Other financial assets	4	-	4.94
(d) Deferred tax assets (net)	5	46.49	118.14
<b>Total Non - Current Assets</b>		<b>53.70</b>	<b>131.11</b>
2 Current Assets			
(a) Inventories	6	223.26	121.90
(b) Financial Assets			
i) Investments	7	408.60	544.60
ii) Trade receivables	8	862.56	361.35
iii) Cash and cash equivalents	9	116.79	95.47
iv) Other bank balances	10	8.44	3.36
v) Loans	11	-	0.25
(c) Other current assets	12	111.78	4.93
<b>Total Current Assets</b>		<b>1,731.43</b>	<b>1,131.86</b>
<b>Total Assets</b>		<b>1,785.13</b>	<b>1,262.97</b>
<b>II EQUITY AND LIABILITIES</b>			
1 Equity			
(a) Equity Share capital	13	827.81	827.81
(b) Other equity	14	585.68	230.22
<b>Total Equity</b>		<b>1,413.49</b>	<b>1,058.02</b>
2 Non-Current Liabilities			
(a) Financial liabilities			
(a) Provisions	15	11.95	-
(b) Other non-current liabilities	16	46.40	38.92
<b>Total Non - Current Liabilities</b>		<b>58.35</b>	<b>38.92</b>
3 Current liabilities			
(a) Financial liabilities			
i) Borrowings	17	-	-
ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	18	29.26	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	142.84	86.08
ii) Other financial liabilities	19	1.58	1.10
(b) Other current liabilities	20	78.31	68.57
(c) Provisions	21	5.97	-
(d) Current Tax Liabilities (Net)	22	55.34	10.28
<b>Total Current Liabilities</b>		<b>313.30</b>	<b>166.03</b>
<b>Total Equity and Liabilities</b>		<b>1,785.13</b>	<b>1,262.97</b>
Significant Accounting Policies and Notes on Financial Statements	1-44		

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

*Jatin A. Thakkar*

Jatin A. Thakkar  
Partner  
Membership No. : 134767

Place : Mumbai.  
Date: 13th May, 2023

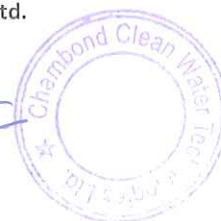


For and on behalf of Board of Directors of  
Chembond Clean Water Technologies Ltd.  
CIN: U29248MH2010PLC202124

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

*Sushil Lakhani*  
Sushil Lakhani  
Director  
DIN : 015789572

Place : Mumbai. Place : Mumbai.  
Date: 13th May, 2023 Date: 13th May, 2023





**Chembond Clean Water Technologies Limited**  
**Statement of Profit and Loss for the period ended 31st March 2023**

	Notes	As at 31/03/2023 (Rs. In lakhs)	As at 31/03/2022 (Rs. In lakhs)
I Revenue From Operations	23	3,199.94	1,723.77
II Other Income	24	38.30	18.65
III Total Income (I+II)		3,238.25	1,742.43
IV Expenses :			
Cost of Materials Consumed	25	1,874.47	906.63
Purchases of Stock-in-trade	26	161.26	96.39
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	27	(92.96)	31.01
Employee Benefits Expense	28	501.27	406.69
Finance Costs	29	3.55	3.13
Depreciation and Amortization expense	30	1.74	1.98
Other Expenses	31	214.82	126.93
Total Expenses		2,664.14	1,572.75
V Profit before Exceptional items and Tax		574.10	169.68
VI Exceptional Items			
VII Profit before Tax		574.10	169.68
VIII Tax Expense			
Current Tax		166.48	42.17
Short/Excess provision of IT for earlier year		(26.24)	
Deferred Tax		63.93	16.32
Total Tax Expense		204.17	58.49
IX Profit for the Year		369.94	111.20
X Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss		(20.05)	4.43
ii) Income Tax relating to items that will not be reclassified to profit or loss		5.58	(1.23)
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)		(14.47)	3.20
Total Comprehensive Income (IX+X)		355.46	114.39
XI Earning Per Equity Share of Face Value of Rs.10 each	42		
Basic (in Rs.)		4.47	1.34
Diluted (in Rs.)		4.47	1.34
Significant Accounting Policies and Notes on Financial Stat	1-44		

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

*Jatin A. Thakkar*

Jatin A. Thakkar  
Partner  
Membership No. : 134767



Place : Mumbai.  
Date: 13th May, 2023

For and on behalf of Board of Directors of  
Chembond Clean Water Technologies Ltd.  
CIN: U29248MH2010PLC202124



*Nirmal V. Shah* *Sushil Lakhani*

Nirmal V. Shah  
Director  
DIN : 00083853

Sushil Lakhani  
Director  
DIN : 015789572

Place : Mumbai.  
Date: 13th May, 2023

Place : Mumbai.  
Date: 13th May, 2023

# CHEMBOND CLEAN WATER TECHNOLOGIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March,2023

	Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
A	Cash Flow from Operating Activities				
	Profit before tax		574.10		169.68
	Adjustments for :				
	Depreciation and amortisation	1.74		1.98	
	Unrealised Loss on FV of MF				
	Finance Cost	3.55		3.13	
	Less :		5.29		5.11
	Foreign Exchange Fluctuation	0.93		0.03	
	Net Gain on Investments	14.00		1.44	
	Sundry balances written back	9.38			
	Unrealised Gain on Investment	-		13.08	
			(24.31)		(14.55)
	Operating Profit before working capital changes		555.09		160.24
	Adjustments for :				
	Trade and Other Receivables	(642.44)		200.51	
	Inventories	(101.36)		30.80	
	Trade and Other Payables	166.71		-142.24	
			(577.10)		89.07
	Cash generated from operations		(22.02)		249.30
	Income taxes paid (Net of Refund)		(94.00)		(43.17)
	Net Cash from Operating Activities (A)		(116.02)		206.13
B	Cash Flow from Investing Activities				
	Payment to acquire Property, plant & equipments		(0.92)		(2.12)
	Purchase of MF Investment		(200.00)		(250.00)
	Sale of Investment		350.00		60.00
	Loan to employees		0.25		0.35
	Net Cash used in Investing Activities (B)		149.33		(191.77)
C	Cash Flow from Financing Activities				
	Proceeds/(Repayment) of Short Term Borrowings				9.91
	Proceeds/(Repayment) of Short Term Borrowings		(3.55)		(3.13)
	Finance Cost				
	Net Cash from Financing Activities (C)		(3.55)		6.78
	Net (Decrease)/Increase in Cash & Cash Activities (A+B+C)		29.76		21.14
	Cash and Cash Equivalents and Other Bank Balances as on Opening		95.47		74.33
	Cash and Cash Equivalents and Other Bank Balances as on Closing (Refer Note		125.23		95.47

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

Jatin A. Thakkar  
Partner  
Membership No. : 134767

Place : Mumbai.  
Date: 13th May, 2023



For and on behalf of Board of Directors of  
Chembond Clean Water Technologies Ltd.  
CIN: U29248MH2010PLC202124

Nirmal V. Shah  
Director  
DIN : 00083853

Place : Mumbai.  
Date: 13th May, 2023

Sushil Lakhani  
Director  
DIN : 015789572

Place : Mumbai.  
Date: 13th May, 2023



(a) Equity Share Capital

Balance as on 01.04.2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as on 31.03.2023
8278057	0	0	0	8278057

Balance as on 01.04.2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as on 31.03.2022
8278057	0	0	0	8278057

(b) Other Equity

Particulars	Reserves and Surplus				OCI	Total other equity
	General Reserve	Share Premium	Employees Shares Options Outstanding	Retained earnings	Remeasurements of the net defined benefit Plans	
Balance as at 31st March 2020	-	-	-	18.05106963	-2.778332795	15.26930945
Profit for the year	-	-	-	99.6801904	-	99.6801904
Other comprehensive income for the year	-	-	-	-	0.873226422	0.873226422
<b>Total Comprehensive Income</b>	-	-	-	99.6801904	0.873226422	100.5534168
Dividend Paid	-	-	-	-	-	-
Tax on Dividend Paid	-	-	-	-	-	-
Set off of Dividend Tax in respect of Dividend from Subsidiary Company	-	-	-	-	-	-
Balance as at 31st March 2021	-	-	-	117.73126	(1.91)	115.8227263
Profit for the year	-	-	-	111.1962102	-	111.1962102
Other comprehensive income for the year	-	-	-	-	3.195755064	3.195755064
<b>Total Comprehensive Income</b>	-	-	-	111.1962102	3.195755064	114.3919652
Dividend Paid	-	-	-	-	-	-
Tax on Dividend Paid	-	-	-	-	-	-
Set off of Dividend Tax in respect of Dividend from Subsidiary Company	-	-	-	-	-	-
Balance as at 31st March 2022	-	-	-	228.9274702	1.290648691	230.2146915
Profit for the year	-	-	-	369.9355684	-	369.9355684
Other comprehensive income for the year	-	-	-	-	-14.47398833	-14.47398833
<b>Total Comprehensive Income</b>	-	-	-	369.9355684	-14.47398833	355.4615801
Dividend Paid	-	-	-	-	-	-
Tax on Dividend Paid	-	-	-	-	-	-
Set off of Dividend Tax in respect of Dividend from Subsidiary Company	-	-	-	-	-	-
Balance as at 31st March 2023	-	-	-	598.8630386	-13.18333964	585.6762716

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



*Jatin A. Thakkar*

Jatin A. Thakkar  
Partner  
Membership No. : 134767

Place : Mumbai.  
Date: 13th May, 2023



For and on behalf of Board of Directors of  
Chembond Clean Water Technologies Ltd.  
CIN: U29248MH2010PLC202124

*Nirmal V. Shah*

Nirmal V. Shah  
Director  
DIN : 00083853

Place : Mumbai.  
Date: 13th May, 2023

*Sushil Lakhani*

Sushil Lakhani  
Director  
DIN : 015789572

Place : Mumbai.  
Date: 13th May, 2023

**Chembond Clean Water Technologies Limited**  
**Notes forming part of the Financial Statements as at 31st March, 2023**

**NOTE 1 - COMPANY OVERVIEW**

Chembond Clean Water Technologies Ltd is a wholly owned subsidiary of Chembond Water Technologies Ltd. In Previous year 2020-2021 Chembond Water Technologies Ltd. Increased its shareholding from 48% to 99%, thereby making Chembond Clean Water Technologies Ltd. a wholly owned subsidiary.

Chembond Clean Water Technologies Ltd. ("the Company") is carrying on the business of design, manufacture, trade and marketing of whole range of water and waste water system, including but not limited to, membrane technologies, conventional and membrane processes, wastewater treatment systems, total water management solution, provision of technical services (detailed engineering, O&M manuals, O&M contracts design centre), equipment (sourcing, fabrication of biowheel and biobrane, vessels, etc.).

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

**Statement of Compliance**

The Company has prepared financial statements for the year ended March 31, 2023 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2022.

**A Basis of Preparation, measurement and Transition to Ind AS**

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

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

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

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

**Current and Non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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





## B Use of Estimates

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

Critical accounting estimates and assumptions

The areas involving critical estimates or judgements are:

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

## C Property, Plant and Equipment

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

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

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

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

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

### Intangible Assets

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

### Depreciation and Amortization

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

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

### Capital Work-in-progress

Capital work-in-progress comprises the cost of assets that are yet not ready for their intended use at the balance sheet date.

Advances given towards acquisition of fixed assets outstanding at each balance sheet date are classified as Capital Advances under

Other Non-Current Assets.



#### **D Inventories**

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

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

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

#### **E Revenue Recognition**

##### **i) Revenue from Operations :**

Revenue from sales is recognised when goods are supplied and control over the Goods sold is transferred to the buyer which is on dispatch/ delivery as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sales of the goods. This is considered the appropriate point where the performance obligations in the contracts are satisfied as the Group no longer has control over the inventory. Sales are presented net of returns, trade discounts

##### **ii) Revenue from Service :**

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

**F** Interest income is recognised using effective interest method on time proportion basis taking in to account the amount outstanding. Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### **G Foreign Currency Translation**

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

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

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

#### **H Impairment of Assets**

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

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

##### **(ii) Non-financial assets**

###### **Tangible and intangible assets**

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

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





## **Retirement Benefits :**

### **(a) Short term Employee Benefits**

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

## **Post Employment Benefits**

### **I. Defined Contribution Plan**

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

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

### **II. Defined Benefit plans:**

#### **Provident Fund scheme**

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

#### **Gratuity scheme**

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

#### **Pension Scheme:**

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

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

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

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

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

### **Other Long Term Employee Benefits:**

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

## **Provision For Current & Deferred Tax**

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

### **Current Tax**

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



#### Deferred Tax

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

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

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

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

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

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

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

#### K Earnings Per Share :

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

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

#### L Provision, Contingent Liabilities And Contingent Assets :

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

#### Contingent Liabilities and Contingent Assets

Contingent liability is disclosed for,

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

Contingent Assets are not recognised in the financial statements.





M

#### **Dividend distribution to equity shareholders**

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

N

#### **Lease Accounting**

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

##### **Company as a lessee**

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

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

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

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

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

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

O

#### **Trade Receivables**

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

P

#### **Trade Payables**

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



Q

### **Financial Instruments**

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

### **Cash and cash equivalents**

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

### **Financial assets at amortised cost**

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

### **Financial assets at fair value through other comprehensive income**

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

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

### **Financial assets at fair value through profit or loss**

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

### **Financial liabilities**

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

### **Equity instruments**

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





### 3 Property, plant and equipment, Intangibles and Capital work in progress as at 31st march 2023

(Rs. In lakhs)									
Particulars	GROSS BLOCK (AT COST)				DEPRECIATION INCLUDING AMORTISATION				NET BLOCK
	As at 1.04.2022	Investme nt in Subsidiar y	Addition s	Disposal, Transfer & Adjustme nts	As at 31.03.20 23	As at 1.04.202 2	Investment in Subsidiary	For the year	Disposal, Transfer & Adjustme nts
<b>Property, plant and equipment</b>									
Office Equipment	1.69	-	-	-	1.69	1.60	-	-	1.60
Plant & Equipment	36.34	-	-	-	36.34	31.87	-	0.72	32.59
Computer Hardware	13.91	-	0.92	-	14.83	11.43	2.48	1.21	15.13
Furniture & Fixtures	6.23	-	-	-	6.23	5.86	-	0.06	5.92
Sub- total	58.17	-	0.92	-	59.09	50.77	2.48	1.99	55.23
<b>Intangible Assets</b>									
Computer Software	10.40	-	-	-	10.40	9.78	-	0.03	9.81
Sub-total	10.40	-	-	-	10.40	9.78	-	0.03	9.81
<b>Total</b>	<b>68.57</b>	<b>-</b>	<b>0.92</b>	<b>-</b>	<b>69.49</b>	<b>60.54</b>	<b>2.48</b>	<b>2.02</b>	<b>65.04</b>
Previous Year	66.45	-	2.12	-	68.57	58.57	-	1.98	60.54
									8.03
									7.89



		As at 31/03/2023 (Rs. In lakhs)	As at 31/03/2022 (Rs. In lakhs)
4	<b>Other Financial Assets</b> (Unsecured & considered good)		
	Fixed Deposit of Maturity of More than 12 Months	-	4.69
	Other Deposits	-	0.25
	<b>Total</b>	-	4.94
5	<b>Deferred Tax Asset (net)</b>		
	Deferred Tax Asset		
	MAT Credit	46.62	119.41
	Written Down Value of Fixed Assets	1.04	0.30
		47.66	119.71
	Deferred Tax Liability		
	Investments at fair value	(0.36)	(1.57)
		(0.36)	(1.57)
	<b>Net Deferred Tax Asset</b>	47.30	118.14
6	<b>Inventories</b> (At lower of Cost and Net Realisable Value)		
	Raw Material	11.59	3.19
	Finished Goods	2.96	0.00
	Stock-in-Trade	208.70	118.70
	Stock In Trade include Stock in Trade in transit amount to Rs.8.20 lakhs as at 31st March		
	<b>Total</b>	223.26	121.90
7	<b>Investments (Current)</b>		
	2,171.438 (PY-58,822.944) Units of ICICI Saving Fund growth	9.93	254.92
	4389.522 (NIL) Units of Kotak Liquid Scheme Regular Plan Growth	198.29	-
	2,34,787.367 (NIL) Units of ICICI Prudential Gilt Fund -Growth	200.37	-
	NIL (PY-680,213.790) Units Units of Kotak Floater Short Term - Growth	-	289.69
	<b>Total</b>	408.60	544.60
8	<b>TRADE RECEIVABLES</b>		
	(a)Trade receivables considered good - Secured	-	-
	(b)Trade receivables considered good - UnSecured	-	-
	(i) Considered Good	862.56	361.35
	(ii) Considered doubtful	16.56	2.43
	Less : Provision for Expected credit loss	-16.56	(2.43)
		862.56	361.35
	(c)Trade Receivables which have significant increase in Credit Risk	-	-
	(d)Trade Receivables - credit impaired.	-	-
	<b>Total</b>	862.56	361.35
a	Refer note no 37 for Trade Receivables Ageing Schedule		





		As at 31/03/2023 (Rs. In lakhs)	As at 31/03/2022 (Rs. In lakhs)
<b>9</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Balances with banks		
	In Current Accounts	116.72	94.37
	Cash on hand	0.07	1.10
	<b>Total</b>	<b>116.79</b>	<b>95.47</b>
<b>10</b>	<b>OTHER BANK BALANCES</b>		
	Deposit accounts	8.44	3.36
	<b>Total</b>	<b>8.44</b>	<b>3.36</b>
<b>11</b>	<b>Loans</b>		
	(Unsecured & considered good)		
	Loan and advance to Employees	0.00	0.25
	<b>Total</b>	<b>-</b>	<b>0.25</b>
<b>12</b>	<b>Other Current Assets</b>		
	Mutual Fund sale proceeds receivable	100.00	-
	Accrued Interest	0.01	0.01
	Prepaid expenses	1.58	1.64
	Other assets ( advances paid to vendors)	10.19	-
	Balances with government authorities	-	-
	Gratuity	0.00	3.28
	<b>Total</b>	<b>111.78</b>	<b>4.93</b>
<b>13</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised</b>		
	1,00,00,000 (PY- 1,00,00,000) Equity Shares of Rs 10/ each	1,000.00	1,000.00
	<b>Issued, Subscribed and Paid up</b>		
	82,78,057 (82,78,057) Equity Shares of Rs.10/- each fully paid up	827.81	827.81
	<b>Total</b>	<b>827.81</b>	<b>827.81</b>
<b>a</b>	<b>Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:</b>		
	Number of shares outstanding at the beginning of the year	82,78,057	82,78,057
	Additions during the year	-	-
	Deductions during the year	-	-
	Number of shares outstanding at the end of the year	82,78,057	82,78,057



14	OTHER EQUITY	As at 31/03/2023 (Rs. In lakhs)	As at 31/03/2022 (Rs. In lakhs)
	<b>Retained Earnings</b>		
	As per last year	228.93	117.73
	Add: Profit for the Year	370.74	111.20
		599.67	228.93
	Less: Appropriations		
	other Comprehensive Income /(Loss) for the year	(14.47)	3.20
		599.67	228.93
	<b>Other Comprehensive Income (OCI)</b>		
	Remeasurements of the net defined benefit Plans		
	As per last year	1.291	(1.91)
	Movement During the Year	(14.47)	3.20
		(13.18)	1.29
	<b>Total</b>	<b>586.48</b>	<b>230.22</b>
15	<b>Provisions- Non Current</b>		
	<b>(a) Provision for employee benefits :</b>		
	Provision for Gratuity	11.95	-
	<b>Total</b>	<b>11.95</b>	<b>-</b>
16	<b>Other Non Current Liabilities</b>		
	<b>Unsecured</b>		
	Dealer Deposits	46.40	38.92
		46.40	38.92
	<b>Total</b>	<b>46.40</b>	<b>38.92</b>
17	<b>CURRENT BORROWINGS</b>		
	<b>Secured</b>		
	Cash credit facilities from banks	-	-
		-	-

**Details for Cash credit facilities from banks:**

**Terms of loan**

The company has sanctioned credit facilities from Bank of India of Rs.150.00 lakhs  
The credit facility taken from Bank Of India carries interest rate of Bank Of India, currently 8.10% p.a.,(interest payable on monthly rests).

The credit facility is secured by : Hypothecation of stocks and bookdebts related to treatment chemical systems

**Utilisation of borrowings :**

(a) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

(b) The quarterly returns/statements of current assets filed by the Group with banks or financial institutions in relation to secured borrowings wherever applicable, are in agreement with the books of accounts.





18	TRADE PAYABLES	As at 31/03/2023 (Rs. In lakhs)	As at 31/03/2022 (Rs. In lakhs)
	Total outstanding dues of micro enterprises and small enterprises	29.26	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	142.84	86.08
	Total	172.11	86.08
a	For Related party transaction Refer Note No.36		
b	The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at the year end. The disclosure pursuant to the said Act is as under:		
	Principal amount due to suppliers under MSMED Act, 2006	29.26	-
	Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	-	-
	Payment made to suppliers (other than interest) beyond the appointed day, during the year	76.95	-
	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 declaration received from parties & information available with company. This has been relied upon by the Auditors.		
	Refer Note no 38 for Trade Payables Ageing Schedule		
19	OTHER CURRENT FINANCIAL LIABILITIES		
	Expenses Payable	1.58	1.10
	Total	1.58	1.10
20	OTHER CURRENT LIABILITIES		
	Advance Received From Customers	-	10.84
	Statutory Dues	27.59	13.77
	Employee Benefits Payable	50.72	43.96
	Total	78.31	68.57
21	SHORT-TERM PROVISIONS		
	(a) Provision for employee benefits:		
	Provision for Gratuity	5.97	-
	Total	5.97	-
22	Current Tax Liabilities (Net)		
	Provision for Income tax (Net of Advance tax)	55.34	10.28
	Total	55.34	10.28



23	REVENUE FROM OPERATIONS	As at 31/03/2023 (Rs. In lakhs)	As at 31/03/2022 (Rs. In lakhs)
	Sales of Goods	2,953.83	1,617.35
	Net Sales	2,953.83	1,617.35
	Sales of Services		
	Technical Service Income	246.12	106.43
	Total	3,199.94	1,723.77
24	OTHER INCOME		
	Profit from Sale of Mutual Funds	26.21	1.44
	Interest from Bank deposits at Effective Interest Rate	1.78	3.19
	Foreign Exchange Fluctuation Gain	0.93	0.03
	Fair value of Investments	-	13.08
	Sundry balances written back, net	9.38	0.92
	Total	38.30	18.65
25	COST OF MATERIALS CONSUMED		
	Particulars of Raw Materials Consumed		
	Raw Materials Consumed	1,874.47	906.63
	Total	1,874.47	906.63
26	PURCHASE OF STOCK-IN-TRADE		
	Purchases of Stock-in-trade	161.26	96.39
	Total	161.26	96.39
27	CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS AND TRADED GOODS		
	(a) Finished products/ Stock in Trade (At Close)		
	Finished goods	2.96	0.00
	Stock-in-trade	208.70	118.70
		211.67	118.71
	(b) Finished products/ Stock in Trade (At commencement)		
	Stock-in-trade	118.70	149.71
		118.70	149.71
	Total	(92.96)	31.01
28	EMPLOYEE BENEFITS EXPENSE		
	Salaries & Wages	464.74	378.43
	Gratuity	5.48	3.38
	Contribution to Provident & other funds	24.74	20.57
	Staff Welfare Expenses	6.31	4.31
	Total	501.27	406.69





29	FINANCE COST	As at 31/03/2023 (Rs. In lakhs)	As at 31/03/2022 (Rs. In lakhs)
	(a)Interest Expense		
	- Banks	2.35	2.57
	(b) Other borrowing costs		
	Bank Guarantee fees & charges	1.21	0.56
	Total	3.55	3.13
30	DEPRECIATION AND AMORTIZATION EXPENSES		
	Depreciation and Amortization Expenses	1.74	1.98
	Total	1.74	1.98
31	OTHER EXPENSES		
	MANUFACTURING EXPENSES		
	Lab Expenses	0.27	0.15
	A	0.27	0.15
	ADMINISTRATIVE EXPENSES		
	Director's Sitting Fees	0.60	0.60
	Rates & Taxes	1.06	0.66
	Printing and stationary	0.64	0.70
	Telephone & Postage Expenses	1.63	1.30
	Insurance	2.51	2.19
	Auditors Remuneration	1.78	1.58
	Legal, Professional & consultancy fees	73.98	46.87
	Repairs & Maintenance Others	0.07	0.66
	Miscellaneous expenses	2.48	0.43
	Postage and courier	0.49	0.12
	Rent	5.70	6.07
	Provision for Expected Credit Loss	14.13	5.76
	Membership & Subscription	-	-
	Foreign Exchange Fluctuation Loss	0.00	0.23
	Bad Debts	0.38	-
	Computer exp	6.39	2.85
	Unrealized loss on fair valuation of Investments	12.21	0.00
	B	124.04	70.00
	SELLING AND DISTRIBUTION EXPENSES		
	Carriage outwards	1.10	3.27
	Commission on sales	5.09	2.10
	Travelling Expenses	69.09	42.77
	Sales Promotion Expenses	15.22	8.65
	C	90.51	56.78
	(A+B+C)	214.82	126.93
	Total	214.82	126.93
a	Auditor's Remuneration consists of:		
		2022-2023 (Rs. In lakhs)	2021-2022 (Rs. In lakhs)
	Statutory Audit Fees	1.23	1.08
	Tax Audit Fees	0.39	0.35
	Taxation and Other Matters	0.16	0.15
	Total	1.78	1.58
b	Lease		
	The Company normally acquires offices, warehouses and vehicles under non-cancellable operational leases. Minimum lease payments outstanding at year end in respect of these assets are as under:		
	Company As a Lessee	Total Minimum Lease Payment Outstanding as on 31/03/2023 (Rs. In lakhs)	Total Minimum Lease Payment Outstanding as on 31/03/2022 (Rs. In lakhs)
	Due within one year	3.05	3.18
	Due later than one year and not later than five years	-	-
	Due later than five years	-	-
	Lease payments recognised in the Statement of Profit & Loss	5.70	6.07



### 32 Tax Reconciliation

The income tax expense consists of the followings: Particulars	2022-23 (Rs in lakhs)	2021-22 (Rs in lakhs)
Current Income Tax	140.24	42.17
Deferred Tax Expense	63.93	16.32
<b>Tax expense for the year</b>	<b>204.17</b>	<b>58.49</b>
Reconciliation of tax expense and the accounting profit multiplied by India's tax Rate		
Profit before income tax expense	574.10	169.68
Indian statutory income tax rate (MAT)	27.82%	27.82%
Expected Income Tax expenses	159.72	47.21
<b>Part A</b>		
Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
Income exempt from income taxes		
Additional allowances/deduction	6.76	(0.92)
Transition gain	-	-
MAT credit entitlement	-	(4.11)
Others		
Short/Excess Provision for earlier years	(26.24)	-
<b>Current Tax (A)</b>	<b>140.23</b>	<b>42.17</b>
<b>Part B</b>		
Deferred Tax Effect at the rate of:	27.82%	27.82%
Depreciation	0.24	-0.05
Unabsorbed IT losses	-1.37	1.17
Investments at Fair Value	0.00	0.00
MAT Credit Utilised	65.07	14.98
Other Deferred tax Asset	0.00	0.22
Less:		
Gratuity		
MAT Credit	-	-
Other Deferred tax Asset		
Provision for Doubtful Debts		
<b>Deferred Tax (B)</b>	<b>63.93</b>	<b>16.32</b>
<b>Tax Expense (A+B)</b>	<b>204.17</b>	<b>58.49</b>





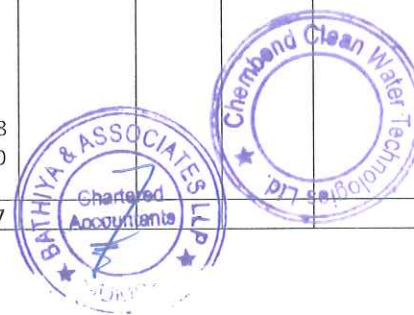
### 33 Financial instruments – Fair values and risk management

#### A. Accounting classification and fair values

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

	As at 31 March 2023							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents (Including other bank balances)			125.23	125.23				-
Investments				-				-
- Mutual Funds	408.60			408.60	408.60			409
- Equity Shares (Quoted)				-				-
- Equity Shares (Unquoted)				-				-
- Preference shares, NCD and bonds				-				-
Trade and other receivables			862.56	862.56				-
Loans			-	-				-
Other financial assets				-				-
<b>TOTAL</b>	<b>408.60</b>	<b>-</b>	<b>987.79</b>	<b>1,396.39</b>	<b>408.60</b>	<b>-</b>	<b>-</b>	<b>408.60</b>
<b>Financial liabilities</b>								
Long term borrowings (Including current maturity of Long term borrowings)			-	-				
Short term borrowings			-	-				
Trade and other payables			172.11	172.11				
Other financial liabilities			1.58	1.58				
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>174</b>	<b>174</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	As at 31 March 2022							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents (Including other bank balances)			98.83	98.83				-
Investments				-				-
- Mutual Funds	544.60			544.60	544.60			545
- Equity Shares (Quoted)				-				-
- Equity Shares (Unquoted)				-				-
- Preference shares, NCD and bonds				-				-
Trade and other receivables			361.35	361.35				-
Loans			0.25	0.25				-
Other financial assets				-				-
<b>TOTAL</b>	<b>544.60</b>	<b>-</b>	<b>460.43</b>	<b>1,005.03</b>	<b>544.60</b>	<b>-</b>	<b>-</b>	<b>544.60</b>
<b>Financial liabilities</b>								
Long term borrowings (Including current maturity of Long term borrowings)			-	-				
Short term borrowings			-	-				
Trade and other payables			86.08	86.08				
Other financial liabilities			1.10	1.10				
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>87</b>	<b>87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



### 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 group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

#### ii. Credit risk

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

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

#### Trade and other receivables

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

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

#### Cash and cash equivalents

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made in mainly in mutual funds with good returns and with high credit ratings assigned by International and domestic credit ratings agencies. Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

#### iii. Liquidity risk

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

#### 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

##### 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.

##### 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.





### 34 Employee Benefit obligations

#### (A) Defined contribution plan

Contributions are made to Employee Provident Fund (EPF), Employees State Insurance Scheme (ESIC) and other Funds which covers all regular employees. Both the employees and the Company make predetermined contributions to the Provident Fund and ESIC. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to Rs. 11 Lakh (Previous year Rs. 11.47 lakh).

	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Provident Fund	23.06	19.24
Contribution to ESIC	1.68	1.33
Contribution to Labour Welfare Fund	-	-

#### (B) Defined Benefit Plan

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

	As at 31st March, 2023 (Funded plan)	As at 31st March, 2023 (Funded plan)
<b>(i) Change in Defined Benefit Obligation</b>		
Opening defined benefit obligation	17.03932	14.17
Transfer in/(out) obligation	0.36195	4.59794
Amount recognised in profit and loss		
Current service cost	5.71356	3.22
Interest cost	1.2091	0.95
Actuarial loss / (gain) arising from: change in financial assumption	-2.24046	-1.02862
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:	23.03794	-3.4
Return on Plan Assets		
Financial assumptions		
Other		
Benefits paid	-1.79375	-1.47
Closing defined benefit obligation	43.33	17.04
<b>(ii) Change in Fair Value of Assets</b>		
Opening fair value of plan assets	20.33	11.88
Transfer in/(out) obligation	0.36	5
Amount recognised in profit and loss		
Interest income	1.44	0.80
Amount recognised in other comprehensive income		
Actuarial gain / (loss)		
Return on Plan Assets, Excluding Interest Income	(0.16)	0.00
Equitable Fund transfer in		
Contributions by employer	5.24	4.52
Benefits paid	(1.79)	(1.47)
Closing fair value of plan assets	25.42	20.33
Actual return on Plan Assets	1.28	0.80
<b>(iii) Plan assets comprise the following</b>		
Insurance fund (100%)	Unquoted 25.42	Unquoted 20.33
<b>(iv) Principal actuarial assumptions used</b>		
Discount rate	% 7.50	% 7.10
Withdrawal Rate	1.00	1.00
Future Salary Increase	5.00	5.00
<b>(v) Amount recognised in the Balance Sheet</b>	As at 31st March, 2023	As at 31st March, 2022
Present value of obligations as at year end	43.34	17.05
Fair value of plan assets as at year end	-25.41	-20.33
Net (asset) / liability recognised as at year end	17.92	(3.28)
Recognised under :		
Short term provisions	5.97	-3.28
Long term provisions	11.95	0.00
	17.92	-3.28



(vi) Sensitivity analysis

Particulars	As at 31st March, 2023	As at 31st March, 2022
	DBO	DBO
Discount Rate Varied by 1.0%		
+1%	38.35	(11.50)
-1%	49.24	13.60
Salary Growth rate varied by 1.0%		
+1%	49.33	13.80
-1%	38.20	(11.80)

(vii) Expected future cash flows

The expected maturity analysis is as follows :	For year ended 31.3.2023	For year ended 31.3.2022
Expected benefits for year 1	0.71	0.26
Expected benefits for year 2	0.76	0.28
Expected benefits for year 3	0.82	0.30
Expected benefits for year 4	2.36	0.32
Expected benefits for year 5	0.94	1.68
Expected benefits for year 6 and above	22.45	2.08

35 Capital Management

The Company's capital management objectives are:

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

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

(i) Debt equity ratio

Particulars	As at March 31, 2023	As at March 31, 2022
Debt (includes non-current, current borrowings and current maturities of long term debt)	46.40	38.92
Less : cash and cash equivalents	116.8	95.5
Net debt	-	-
Total equity	1,413.5	1,058.0
Net debt to total equity ratio	0.00%	0.00%





### 36 RELATED PARTY DISCLOSURES

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

#### a) Relationship:

##### i. Ultimate Holding Company

Chembond Chemicals Limited

##### ii. Holding Company

Chembond Water Technologies Limited

##### iii. Fellow Subsidiary Companies:

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

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

Key Management Personnel:

Mr. Nirmal V. Shah, Mr. Sushil Lakhani

Relatives :

Mrs. Padma V. Shah, Mrs. Shilpa S. Shah, Mrs. Mamta N. Shah, Mrs. Alpna S. Shah, Mrs. Jyoti N. Mehta, Mr. Sameer V. Shah, Gauri N. Mehta,

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

Finor Piplaj Chemicals Ltd

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

For the year ended / as on	31.03.2023				31.03.2022			
Description of the nature of transactions	Holding & Ultimate Holding	Fellow Subsidiary	KMP	Total	Holding & Ultimate Holding	Fellow Subsidiary	KMP	Total
<b>Sales of Goods</b>	1815.48	0.34	4.81	1820.62	591.54	0.20	7.45	599.19
Chembond Water Technologies Ltd	1,815.35			1,815.35	587.28			587.28
Chembond Chemicals Ltd	-			-	4.26			4.26
Chembond Distribution Ltd	-			-		0.09		0.09
Chembond Material Technologies Pvt Ltd	-	0.34		0.34		0.11		0.11
Finor Piplaj Chemicals Ltd.	-		4.77	4.77			7.45	7.45
Chembond Water Technologies Ltd-Malaysia	0.12			0.12				
Chembond Calvatis Industrial Hyegine Systems Ltd	-		0.04	0.04				
<b>Purchase of Goods</b>	773.98	6.63	0.00	780.61	527.74	3.99	0.00	531.73
Chembond Water Technologies Ltd	773.81			773.81	526.93			526.93
Chembond Chemicals Ltd	0.18			0.18	0.81			0.81
Chembond Material Technologies Pvt Ltd		5.48		5.48		3.99		3.99
Chembond Calvatis Industrial Hyegine Systems Ltd		1.16		1.16				
<b>Corporate Gurantee Fees</b>	1.50	0.00	0.00	1.50	1.50	0.00	0.00	1.50
Chembond Chemicals Ltd	1.5			1.5	1.5			1.5
<b>Rental Expenses</b>	5.70	0.00	0.00	5.70	5.70	0.00	0.00	5.70
Chembond Water Technologies Ltd	1.2			1.2	1.2			1.2
Chembond Chemicals Ltd	4.5			4.5	4.5			4.5
<b>Director Sitting Fees</b>	0.60	0.00	0.00	0.60	0.60	0.00	0.00	0.60
Sushil Lakhani	0.6			0.6	0.6			0.6
<b>Interest given</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chembond Distribution Ltd				0				0
<b>Interest received</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chembond Water Technologies Ltd				0				0
Chembond Distribution Ltd				0				0
<b>Loans Repaid (Received)</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chembond Water Technologies Ltd				0				0
Chembond Distribution Ltd				0				0
<b>Balance at the end of the year</b>								
<b>A. Sundry Debtors</b>	618.92	0.40	0.71	620.03	92.11	0.00	0.00	92.11
Chembond Water Technologies Ltd	618.92			618.92	92.11			92.11
Chembond Chemicals Ltd	-			-				0
Chembond Distribution Ltd				-				0
Finor Piplaj Chemicals Ltd.			0.71	0.71				0
Chembond Material Technologies Pvt Ltd		0.40		0.40				
<b>B. Sundry Creditors</b>	100.75	0.89	0.00	101.64	69.97	0.43	0.00	70.40
Chembond Material Technologies Pvt Ltd		0.89		0.89		0.43		0.43
Chembond Water Technologies Ltd	96.66			96.66	67.99			67.99
Chembond Chemicals Ltd	3.96			3.96	1.98			1.98
Chembond Water Technologies Ltd-Malaysia	0.12			0.12				
Finor Piplaj Chemicals Ltd.				0				0



### 37 Trade receivables ageing schedule on 31 March 2023

[Rs in Lakhs]

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1 -2 Year	2 -3 Year	More than 3 Years	
Trade receivables -Billed	220.05	640.04	4.90	3.72	10.41	0	879.12
Undisputed trade receivables - considered good	-	-	-	-	-	-	-
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>220.05</b>	<b>640.04</b>	<b>4.90</b>	<b>3.72</b>	<b>10.41</b>	<b>0</b>	<b>879.12</b>
Less: Allowance for doubtful trade receivables							(16.56)
<b>Trade receivables</b>							<b>862.56</b>

Ageing for trade receivables - current outstanding as at March 31, 2022 is as follows:

[Rs in Lakhs]

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1 -2 Year	2 -3 Year	More than 3 Years	
Trade receivables -Billed	336.02	6.67	9.89	0.19	11.01		363.78
Undisputed trade receivables - considered good	-	-	-	-	-	-	-
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>336.02</b>	<b>6.67</b>	<b>9.89</b>	<b>0.19</b>	<b>11.01</b>	<b>0</b>	<b>363.78</b>
Less: Allowance for doubtful trade receivables							(2.43)
<b>Trade receivables</b>							<b>361.35</b>

### 38 Trade Payables ageing schedule on 31 March 2023

Ageing for trade payables outstanding as at March 31, 2023 is as follows

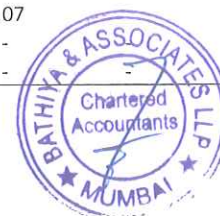
[Rs in Lakhs]

Particular	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
Trade Payables						
MSME	29.26	-	-	-	-	29.26
Others	141.15	0	0	0	1.69	142.84
Disputed dues - MSME	-	-	-	-	-	0
Disputed dues - Others	-	-	-	-	-	0

Ageing for trade payables outstanding as at March 31, 2022 is as follows

[Rs in Lakhs]

Particular	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
Trade Payables						
MSME	-	-	-	-	-	-
Others	20.46	56.55	-	9.07	-	86.08
Disputed dues - MSME	-	-	-	-	-	0
Disputed dues - Others	-	-	-	-	-	0





Ratio	Numerator	Denominator	Current Year	Previous year	% variance	Reason for variance
Current ratio (in times)	Total current assets	Total current liabilities	5.53	6.82	-18.94%	Increased in current liabilities compared to last year
Debt-Equity ratio (in times)	Debt consists of total liabilities	Total equity	-	-	0.00%	
Debt service coverage ratio (in times)	Earning for Debt service = Net Profit after taxes + Noncash operating expenses + interest + Other non - cash adjustments	Debt service = Interest and lease payments + Principal repayments	149.56	39.59	277.82%	Increased in profit compared to last year
Return On equity ratio (in %)	Profit for the year	Average total equity	0.30	0.11	169.44%	% of profit compared to last year Increased
Inventory turnover ratio (in times)	Raw materials, subassemblies, components, finished goods and work in progress consumed	Average inventories	11.26	7.53	49.47%	Increased in raw material compared to last year.
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	5.23	4.42	18.23%	Increased in revenue from operation
Trade payables turnover ratio (in times)	Total supplier purchases	Average trade payables	15.05	5.61	168.05%	Increased in raw material compared to last year.
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (ie. Total current assets less Total current liabilities)	0.67	0.51	31.11%	Increased in revenue from operation
Net profit ratio (in %)	Profit for the year	Revenue from operations	0.12	0.06	79.22%	% of profit compared to last year Increased.
Return on capital employed (in %)	Profit before tax and finance cost	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	0.41	0.16	150.21%	% of profit compared to last year Increased.
Return on investments (in %)	Income generated from invested funds	Average invested funds in treasury investments	0.06	0.03	143.81%	Redemption in investment compared to last year



40 Additional regulatory information not disclosed elsewhere in the financial information

- A The Company and its Indian subsidiaries do not have any Benami property and no proceedings have been initiated or pending against the Company and its Indian subsidiaries for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- B The Company do not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956
- C The Company does not have any charge which is yet to be registered / satisfied with ROC beyond the statutory period
- D The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
  
directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or  
  
provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- E The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:  
  
directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or  
  
provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- F The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- G The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.
- H The Company has not been declared as a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- I The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.





41	EARNINGS PER SHARE		
		2022-2023	2021-2022
	Net Profit available to Equity Shareholders (Rs. In Lakhs)	370.74	111.20
	Total number of Equity Shares (Face value of Rs. 10/- each fully paid up)	82,78,057	82,78,057
	Weighted No. of Equity Shares	82,78,057	82,78,057
	Basic Earnings per Share (in Rupees)	4.48	1.34
	Diluted No. of Equity Shares	82,78,057	82,78,057
	Diluted Earnings per Share (in Rupees)	4.48	1.34

**42 SEGMENT REPORTING**  
"The Company is engaged in the manufacture, Trading and providing services of Specialty Chemicals, which in the context of IND AS 108- Operating segment specified under section 133 of the Companies Act, 2013 is considered as a single business segment of the company.

Operating segment are reported in a manner consistent with internal report provided to chief operating decision maker. The Board of Directors of the company has been identified as chief operating decision maker which reviews and assesses the financial performance and makes the strategic decision.  
Revenue from single External customer is Not in excess of 10% of the Total revenue for the year.

**43** Contingent Liabilities not provided for are in respect of :

Particulars	As at 31/03/2023 (Rs. In lakhs)	As at 31/03/2022 (Rs. In lakhs)
a.Income Tax - (TDS)	0.04	0.01

**44** Previous year figures have been regrouped, reallocated and reclassified wherever necessary to confirm to current years classification and presentation.

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



Jatin A. Thakkar  
Partner  
Membership No. : 134767

Place : Mumbai.  
Date: 13th May, 2023



For and on behalf of Board of Directors of  
Chembond Clean Water Technologies Ltd.  
CIN: U29248MH2010PLC202124



Nirmal V. Shah  
Director  
DIN : 00083853

Sushil Lakhani  
Director  
DIN : 015789572

Place : Mumbai.  
Date: 13th May, 2023

Place : Mumbai.  
Date: 13th May, 2023