Chembond Chemicals Limited

Annual Report

2024-25

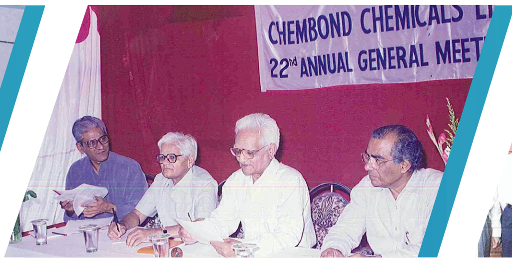
Celebrating 50 Years: *A Tribute to Our Founder*

Dr. Vinod Shah

Chembond Chemicals Limited was founded in 1974 by Dr. Vinod D. Shah, a visionary chemical engineer who returned to India after completing his Ph.D. at Wayne State University, Detroit. With unwavering discipline and humility, Dr. Shah led by example, always accessible to his team, customers, friends, and family. His insatiable curiosity extended far beyond chemistry, encompassing business, literature, history, and spirituality, enriching every conversation with depth and perspective.

He believed in collaborative dialogue, empowering his colleagues and frequently championing their abilities in front of customers. A determined technocrat with deep conviction in the organization's purpose, Dr. Shah instilled in Chembond a strong foundation of professionalism, ethics, and stakeholder value.

As we mark our semicentennial year, we look back with pride at five decades of resilience and growth. Guided by our founder's vision and supported by a dynamic Board of Directors, Chembond has overcome numerous challenges to emerge stronger, time and again. This milestone is not just a celebration of our past, but a reaffirmation of our values and commitment to the future – a journey reflected in the key milestones that have shaped our path over the last 50 years.



BOARD OF DIRECTORS

Mrs. Anuradha S. Paraskar	:	Independent Director
Prof. Aniruddha B. Pandit	:	Independent Director
Mr. Mahendra K Ghelani	:	Independent Director
Mr. Nirmal V Shah	:	Chairman and Managing Director
Mr. Sameer V Shah	:	Non Executive Director
Mr. Sushil U Lakhani	:	Independent Director

CONTENTS

Chief Financial Officer
Prachi Mahadik

Statutory Auditor
S H B A & Co LLP
(formerly Bathiya & Associates LLP)

Bankers
HDFC Bank, Bank of India

Company Secretary
Kiran Mukadam

Secretarial Auditor
Virendra G. Bhatt

Registered Office
Chembond Centre,
EL 37, MIDC, Mahape,
Navi Mumbai 400710
Tel.: +91 22 65753000
Email : info@chembondindia.com
Website : www.chembondindia.com
CIN : U20116MH2023PLC415282

Registrar & Transfer Agent (RTA)
MUFG Intime India Private Limited
(formerly Link Intime India Private Limited)

Plants
Dudhwada, Gujarat
Baddi- Himachal Pradesh
Ranipet- Tamilnadu

Celebrating 50 Years of Chembond: A Landmark of Achievements

Dear Shareholders,

As we stand at the threshold of our golden jubilee, I am honoured to address you in this landmark 50th year of Chembond's foundation. This year is not only a celebration of half a century of resilience, innovation, and growth, but also a time of profound transformation and renewed ambition for our future.

Fifty Years of Excellence

I stand humbled when I reflect on the journey of our founder Dr. Vinod D. Shah, his sacrifices, self-motivation, vision and sheer determination to create an enterprise with lasting value for all stakeholders. Throughout these 50 years, his philosophy of gaining the trust and support of our customers, vendors, partners, employees, and shareholders have been the bedrock of our success. Chembond's core values are based on this unwavering philosophy. We have weathered challenges, embraced opportunities, and built a company whose name today stands synonymous with integrity, performance, and progress.

A Year of Transformation: Demerger and Listing

The past year has been an eventful one. In response to the evolving business landscape and to unlock greater value for our shareholders, we completed the strategic demerger of our Construction Chemicals and Water Technologies businesses from Chembond Material Technologies Limited previously known as Chembond Chemicals Limited. This move was designed to sharpen our focus, enhance operational agility, and foster independent growth trajectories. The upcoming listing of Chembond Chemicals Limited previously known as Chembond Chemical Specialties Limited on the stock exchange will mark a significant milestone for us, enabling both companies to pursue their distinct visions with renewed vigour.

Restated Financials: Enhanced Transparency

In conjunction with the demerger, we have restated our financial statements to provide a clear and accurate reflection of our new organisational structure. This exercise underscores our commitment to the highest standards of governance, transparency, and accountability. The restated financials offer shareholders and analysts a more precise understanding of the company's underlying performance, thereby facilitating more informed decision-making as we move forward.

Special Dividend: Sharing Our Success

To commemorate our 50th anniversary, the Board has approved a special dividend on the enlarged equity. This gesture is both a celebration of our rich legacy and a testament to our enduring partnership with you. We believe that sharing the fruits of our achievements is integral to our core values and strengthens the bond of trust that has defined our journey together.

Looking Ahead

As we embark on the next chapter of our story, we do so with great optimism and determination. The foundation laid over the past fifty years, coupled with the transformative changes of the past year, equips us to navigate the future with confidence. Our focused business model, strong leadership, and clear strategic direction position us to seize emerging opportunities and deliver sustainable value to all our stakeholders. On behalf of the Board of Directors, I extend my gratitude to each of you for your trust, encouragement, and cooperation over the years, and look forward to a future filled with promise, purpose, and shared successes.

With warm regards,

Nirmal V. Shah
Chairman and Managing Director

NOTICE

NOTICE is hereby given that the 2nd Annual General Meeting ("AGM") of the Members of Chembond Chemicals Limited *(formerly Chembond Chemical Specialties Limited)* (CIN: U20116MH2023PLC415282) will be held on Thursday August 14, 2025, at 11.30 am through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS AND ORDINARY RESOLUTION

1. **To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March 2025 together with the reports of the Board of Directors and Auditors thereon:**

   "**RESOLVED THAT** the Audited Standalone and consolidated Financial Statements of the Company for the financial Year ended 31st March 2025, along with the Reports of the Board of Directors and Auditors thereon laid before this said meeting be and is hereby considered, approved and adopted."

2. **To declare final dividend on equity shares for the financial year ended 31st March 2025**

   "**RESOLVED THAT** pursuant to Section 123 of the Companies Act, 2013, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, dividend of Rs. 1.25 (Rupees One & Twenty Five Paisa only) per equity share of face value of Rs.5/- each, as recommended by the Audit Committee and Board of Directors of the Company, be and is hereby approved and declared for the financial year ended 31st March 2025.

3. **To appoint a Director in place of Mr. Sameer V. Shah (DIN: 00105721), who retires by rotation and being eligible, offers himself for re-appointment**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 (6) and any other applicable provisions of the Companies Act, 2013, Mr. Sameer V. Shah (DIN: 00105721), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS AND ORDINARY RESOLUTION

4. **To appoint Mr. Virendra G. Bhatt – Practicing Company Secretary (ACS – 1157 / CP – 124) as a Secretarial Auditor of the Company**

   To consider and, if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

   "**RESOLVED THAT** pursuant to the provisions of Sections 204 and all other applicable provisions, if any, of the Companies Act, 2013 read with Regulation 24A of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Virendra G. Bhatt – Practicing Company Secretary (ACS – 1157 / CP – 124) be and are hereby appointed as the Secretarial Auditors of the Company to hold office for a term of five consecutive years from the conclusion of the 2nd Annual General Meeting ("AGM") till the conclusion of the 6th AGM of the Company i.e FY 2025-26 to FY 2029-30, to examine and audit the secretarial compliances of the Company commencing from 1st April, 2025, at such remuneration, including applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors and the Secretarial Auditor;

   RESOLVED FURTHER THAT the Board of Directors and KMP be and is hereby authorised severally to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **To approve material related party transaction(s) of the company and its subsidiaries, step subsidiaries, associates companies and group companies**

   To consider and, if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

   "**RESOLVED THAT** pursuant to Regulation 23 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended from time to time and provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] ("the Act") and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to enter into Material Related Party Transaction(s) / Contract(s) / Arrangement(s) /Agreement(s) / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, on such terms and conditions as may be mutually agreed during the financial year 2025-26, provided that such transaction(s) / contract(s) / arrangement(s) /agreement(s) as set out in the Explanatory Statement annexed hereto, is being carried out at an arm's length pricing basis and in the ordinary course of business.

RESOLVED FURTHER THAT the Board and KMP be and is hereby authorized severally to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, or any other Officer / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution;

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect."

SPECIAL BUSINESS AND SPECIAL RESOLUTION

6. **To consider the appointment of Mr. Nirmal V. Shah (DIN: 00083853) as the Chairman and Managing Director**

To consider and, if thought fit, to pass the following resolution as an SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 ("the Act"), read with Schedule V of the Act, and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to approval(s) from the appropriate authorities, if required, consent of the members of the Company be and is hereby accorded for appointment of Mr. Nirmal Vinod Shah (DIN: 00083853) as Chairman and Managing Director of the Company for a period of five consecutive years with effect from June 1, 2025 on the terms and conditions as set out in the Explanatory Statement annexed hereto;

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances, perquisites and designation in such manner as may be agreed to between the Board and Mr. Nirmal Vinod Shah within and in accordance with and subject to the limits prescribed in Schedule V of the Act, and if necessary, as may be stipulated by the concerned authorities and as may be agreed to between the Board and Mr. Nirmal Vinod Shah;

RESOLVED FURTHER THAT notwithstanding anything hereinabove stated where in any financial year, during the currency of the tenure of service of Mr. Nirmal Vinod Shah as the Chairman and Managing Director, the Company has no profits or its profits are inadequate, he shall be paid the remuneration stated in the Explanatory Statement annexed hereto as "Minimum Remuneration" in the respective financial year(s) not withstanding that the same may exceed the ceiling limit laid down in Section 197 and Schedule V of the Act, subject to such approvals, as may be required;

RESOLVED FURTHER THAT the Board and KMP be and is hereby authorized severally to execute all such documents, writings and agreements and to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to the aforesaid resolution."

By Order of the Board of Director
of **Chembond Chemicals Limited**
(formerly Chembond Chemical Specialties Limited)

Nirmal Vinod Shah
Chairman & Managing Director
DIN-00083853

June 30, 2025, Navi Mumbai

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 13th January, 2021, 5th May, 2022, 28th December, 2022 and 25th September, 2023, 19th September, 2024 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India (SEBI), vide its circulars dated 12th May, 2020, 15th January, 2021, 5th January, 2023 and 7th October 2023 and 3rd October, 2024 ("SEBI Circulars") permitted to hold Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue.

   In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), MCA Circulars and SEBI Circulars, the 2nd AGM is being held through VC / OAVM only. Hence Members can attend the AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. The Company has made arrangements through National Securities Depository Limited ("NSDL"), to provide VC / OAVM facility for the AGM and for conducting the e-AGM. Members can join the e-AGM 15 minutes before the scheduled time of the AGM following the procedure mentioned in the Notice.

2. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business item Nos. 4 to 6 of the Notice, is annexed hereto.

3. Since this AGM is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies shall not be available for AGM and hence Proxy Form and Attendance Slip are not annexed to this Notice.

4. Institutional / Corporate shareholders intending to depute their authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting are requested to send a certified copy of its Board Resolution / authorisation letter, authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution / authorisation should be sent by email to cs@chembondindia.com or: evoting@nsdl.co.in or upload on the website of NSDL http://www.evoting.nsdl.com.

5. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

6. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the AGM and the facility shall be made available to the Members on first-cum-first served basis. The facility to join the AGM will close 15 minutes after the scheduled time or when the capacity is full whichever is earlier by following the procedure mentioned below. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first-cum-first served basis. In case of joint holders, attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.

7. In terms of Section 152 of the Act, Mr. Sameer Vinod Shah (DIN: 00105721), Director, retires by rotation at the AGM and being eligible, offers himself for re-appointment. Information of Director proposed to be re- appointed at the AGM as required by Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings is included to the Report on Corporate Governance. The Director has furnished the requisite declarations for his re-appointment, as applicable.

8. Queries on financial statements and/ or operations of the Company, if any, may please be sent to the Company to cs@chembondindia.com at least seven days in advance of the meeting so that the answers may be made available at the AGM.

9. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode by the Members from the date of circulation of this notice upto the date of 2nd AGM.

10. The Company has fixed Thursday , August 7, 2025 as the "Record Date" for determining entitlement of Members to dividend for the financial year ended March 31, 2025, if approved at the AGM. The Register of Members and the Share Transfer books of the Company will remain closed from August 8, 2025 to August 14, 2025 (both days inclusive) in connection with the AGM.

11. The Board of Directors has recommended a Final Dividend of Rs. 1.25 per share (Rupees One Rupees and Twenty Five Paisa only) per equity share of ₹ 5/- (Rupees Five only) each (25%) for the financial year ended 31st March, 2025 subject to approval of the Members at the ensuing AGM. The Dividend, if approved by the Members at the ensuing AGM will be paid to those shareholders whose names stand registered as on the Record Date i.e. August 7, 2025.

12. Members holding shares in physical mode are requested to send all the communications pertaining to shares of the Company including intimation of changes pertaining to their bank account details, mandates, nominations, change of address, e-mail id etc with the Company's RTA – MUFG Intime India Private Limited (MUFG) at their Registered Address or e-mail at **madhuri.narang@in.mpms.mufg.com** along with a copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Aadhar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member.

    Members holding shares in electronic form must intimate the changes, if any, to their respective Depository Participants (DPs). In case of any queries / difficulties in registering the e-mail address or any other details, Members may write to cs@chembondindia.com.

13. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled to the RTA of the Company. Members holding shares in electronic mode may contact their respective DPs for availing this facility.

14. As per Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021, and clarification vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021 issued by SEBI, on Common and Simplified Norms for processing Investor's Service Request by RTAs. SEBI has mandated the furnishing of PAN, Address with PIN code, E-mail address, Mobile No., Bank Account details, Specimen Signature & Nomination by holders of physical securities and that from 1st January, 2022, RTAs shall not process any service requests or complaints received from the holder(s)/claimant(s), till PAN, KYC and Nomination documents/details etc. are received.

15. Annual Report 2024-25 is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/DPs. The Annual Report is also uploaded on the website of the Company at www.chembondindia.com. Members may note that the Notice and Annual Report 2024-25 can also be accessed from websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of NSDL (agency for providing remote e-voting facility and e-voting system during the AGM) i.e. www.evoting.nsdl.com.

16. To support the 'Green Initiative', Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.

17. The final dividend once approved by the shareholders in the ensuing AGM will be paid through Electronic Clearing Service or any other means to those shareholders who have updated their Bank Account details. For shareholders who have not updated their bank account details dividend warrants / demand draft / cheques will be sent to their registered addresses. Shareholders are requested to update their KYC with their depositories (for shares held in Dematerialized form) and with the Company's RTA - MUFG (for shares held in Physical form) to receive the dividend into their account.

18. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to MUFG, Registrar and Share Transfer Agent of the Company or by sending a request on e-mail at cs@chembondindia.com or contact MUFG at madhuri.narang@in.mpms.mufg.com. In case, the Company is unable to pay the dividend to any shareholder by electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant to such shareholder by post.

19. The Income Tax Act, 1961 ('the IT Act') as amended by the Finance Act, 2020 mandated that dividend paid or distributed by a Company on or after 1st April, 2020 shall be taxable in the hands of the Members and the Company is required to deduct Tax at source ('TDS') from dividend paid to the Members at the prescribed rates at the time of making the final dividend. To enable compliance with TDS requirements, Members are requested to provide documents in accordance with the provisions of the IT Act. Members are also requested to complete and / or update Residential Status, PAN, category as per the IT act, with the Company / Registrar by sending documents through e-mail at cs@chembondindia.com by August 7, 2025. The TDS so deducted shall be reflected in Form 26AS against respective PAN, post payment of the said Dividend.

20. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or the Company's RTA in this regard.

21. SEBI vide its notification dated 20th April, 2018, has mandated the submission of PAN and /or Bank Account details for updation of the same against their folio number. Members holding shares in electronic form are, therefore, requested to submit the PAN / Bank account details to their DPs with whom they are maintaining their demat accounts.

22. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 7, 2025 through e-mail on cs@chembondindia.com. The same will be replied by the Company suitably.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARD ON GENERAL MEETINGS

ITEM NO: 4

Pursuant to Section 204 of the Companies Act, 2013 read with Regulation 24A of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Every listed Company and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Practing Company Secretary and shall annex a Secretarial Audit Report with the annual report of the Company. In view of the afore mentioned regulatory changes, the Board of Directors of the Company at their meeting held on April 24, 2025, has approved the appointment of Mr. Virendra G. Bhatt – Practicing Company Secretary (ACS – 1157 / CP – 124) as a Secretarial Auditor of the Company for provide Secretarial Audit Report as per prescribed format for the term of five (5) consecutive years effective from 1st April, 2025 with remuneration as mutually decided by Board and Secretarial Auditor.

Mr. Virendra Bhatt is a qualified Company Secretary, holding a Certificate of Practice (COP No. 124) and Membership No. 1157. He brings over 50 years of extensive experience in secretarial audit and statutory compliance, with deep expertise in the areas of Company Law, SEBI regulations, and FEMA.

None of the Directors, Key Managerial Personnel, or their relatives are in any way, concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the proposed Ordinary Resolution as set out in Resolution No. 4 of this notice.

The Board of Directors commends the Ordinary Resolution set out at Item No. 4 of this Notice for approval by the members.

ITEM NO. 5

Pursuant to section 188 of the Companies Act 2013 and Regulation 23 of the Listing Regulations, A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crores or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. In such case, approval of the shareholders of the Company by way of an ordinary resolution is required for following related party transactions

SN	Name of the Related Parties	Related Party Transaction Limit for FY 2025-26
1.	Chembond Water Technologies Limited [CWTL] and Finor Piplaj Chemicals Limited [FINOR]	Rs. 40 Crore
2.	Chembond Chemicals Limited [CCL] and Finor Piplaj Chemicals Limited [FINOR]	Rs. 10 Crore
3.	Chembond Chemicals Limited (CCL) and Chembond Calvatis Industrial Hygiene Systems Limited [CCIHSL]	Rs. 5 Crore
4.	Rewasoft Solutions Private Limited (RSPL) and CCSL, CWTL, CWTL-Thailand, CWTL-Malaysia, CCIHSL, FINOR, CMTL	Rs. 5 Crore
5.	Chembond Chemicals Limited (CCL) and Chembond Water Technologies Limited [CWTL]	Rs. 60 Crore
6.	Chembond Water Technologies Limited [CWTL] and Chembond Water Technologies (Thailand) Co. Ltd. [CWTL-Thailand]	Rs. 10 Crore
7.	Chembond Water Technologies Limited [CWTL] and Chembond Water Technologies (Malaysia) Sdn. Bhd [CWTL- Malaysia]	Rs. 10 Crore
8.	Chembond Chemicals Limited (CCL) and Chembond Distribution Limited [CDL]	Rs. 10 Cr

The Audit Committee of the Company consisting only of Independent Directors, and the Board of Directors, have, based on relevant details provided by the management, at their respective meetings held on May 30 2025, reviewed and approved the said transaction(s), while noting that such transactions shall be on arms' length basis and in the ordinary course of business and are in accordance with Related Party Transactions Policy of the Company.

In view of the afore mentioned regulatory changes the Resolutions at item Nos. 5 are placed for approval by the Members.

Details of the proposed RPTs between Chembond Chemicals Limited (*formerly Chembond Chemical Specialties Limited*) (CCL or the Company) and other subsidiaries/ group companies , including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11th November, 2024 along with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated 14th February, 2025, issued by the Securities and Exchange Board of India (SEBI) titled “Industry Standards on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction are as follows:

(Rs. in Lakhs)

SN	Particulars of the information	Information provided by the management				
Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs						
1.	Name of the related party	FINOR	CCIHSL	RSPL	CWTL & CWTL-Thailand, CWTL-Malaysia	CDL
2.	Country of incorporation of the related party	India	India	India	CWTL- India CWTL-Thailand: Thailand CWTL-Malaysia: Malasia	India
3.	Nature of business of the related party	FINOR manufactures water-soluble polymers, biocides, defoamers, dispersants, corrosion inhibitors, papermaking chemicals and other specialty chemicals. They work at the molecule level to manufacture products.	CCIHSL is a joint venture between CCL and Calvatis GmbH offering cleaning and hygiene products and solutions for industrial and institutional markets.	Rewasoft Solutions develops customized software with ML / AI capabilities.	CWTL & both its foreign subsidiaries offer end-to-end and state-of-the-art water treatment solutions to a wide section of industries.	CDL is a specialty chemicals stock and sell distributor offering products to OEM’s of construction chemicals, paints, inks, and other industries.
4.	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party.	1. Chembond Water Technologies Ltd: Wholly Owned Subsidiary 2. Chembond Water Technologies (Thailand) Co, Ltd: Wholly Owned Subsidiary of CWTL and Step Subsidiary 3. Chembond Water Technologies (Malaysia) Sdn. Bhd.: Wholly Owned Subsidiary of CWTL and Step Subsidiary 4. Chembond Calvatis Industrial Hygiene Systems Ltd (CCIHL): 55% Owned Subsidiary 5. Chembond Distribution Ltd: Wholly Owned Subsidiary 6. Rewasoft Solutions Pvt Ltd: Associate Company 7. Finor Piplaj Chemicals Ltd: Group Company 8. Chembond Material Technologies Ltd (CMTL): Group Company 9. Mr. Nirmal V. Shah and Mr. Sameer Shah: Both are Promoters and Directors.				
5.	Shareholding or contribution % or profit & loss sharing % of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.	Promoter and Promoter Group holds 100% shares	*55% shares held by CCL*	*40% shares held by CWTL which is a WOS of CCL*	*It is a WOS of CCL and CWTL Thailand and CWTL Malaysia are WOS of CWTL*	*It is a WOS of CCL*
6.	Shareholding of the related party, whether direct or indirect, in the listed entity	*Direct*	*Indirect*	*Indirect*	*Indirect*	*Direct*

7. A(3) Financial performance of the related party						
	Standalone turnover of the related party for each of the last three financial years:					
	FY 2024-2025	*5019.36*	*160.84*	*45.13*	*22,985.54*	*2,335.34*
	FY 2023-2024	*4978.03*	*206.43*	*52.22*	*22,031.15*	*2,979.84*
	FY 2022-2023	*5632.48*	*353.04*	*40.71*	*22149.56*	*3484.60*
	Standalone net worth of the related party for each of the last three financial years:					
	FY 2024-2025	*4671.90*	*136.18*	*4.60*	*11,756.55*	*1,209.79*
	FY 2023-2024	*3996.69*	*163.01*	*3.46*	*10,431.69*	*1070.63*
	FY 2022-2023	*3547.60*	*182.15*	*2.21*	*8218.73*	*847.00*
	Standalone net profits of the related party for each of the last three financial years:					
	FY 2024-2025	*679.77*	*(27.41)*	*1.13*	*2656.74*	*188.86*
	FY 2023-2024	*453.64*	*(19.75)*	*1.26*	*2428.68*	*299.09*
	FY 2022-2023	*673.57*	*14.78*	*(2.79)*	*1350.11*	*286.17*
8.	**A(4) Details of previous transactions with Related Party**					
	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during each of the last three financial years.					
	FY 2024-2025	*2758.99*	*84.12*	*22.84*	*3441.10*	*373.06*
	FY 2023-2024	2796.05	26.40	4.31	3534.51	137.10
	FY 2022-2023	2520.21 (with CWTL)	NA	NA	NA	NA
	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the current financial year (till the date of approval of the Audit Committee / shareholders).					
	April & May 2025	*426.26*	*18.36*	*40.00*	*507.84*	*91.40*
	Whether prior approval of Audit Committee has been taken for the above mentioned transactions? : Yes					
	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last three financial years. :NA					
9.	**A(5) Amount of the proposed transactions (All types of transactions taken together)**					
	Total amount of all the proposed transactions being placed for approval in the current meeting and Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year					
		Rs. 10 Crore with CCL (3.42%) *Rs. 40 Crore with CWTL (13.70%)*	*Rs. 5 Crore (1.71%)*	*Rs. 5 Crore (1.71%) with CCL, CWTL, CWTL-Thailand, CWTL-Malaysia, CCIHSL, CDL, CMTL, FINOR*	*Rs. 60 Crore for CWTL and Rs. 10 Crore each for rest two companies (27.40%)*	*Rs. 10 Crore (3.42%)*
	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year is material RPT in terms of Para 1(1) of these Standards? : The proposed transactions taken together with the transactions undertaken with the related party during the current financial year are material RPT					
	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary, and where the listed entity is not a party to the transaction)					
		RPT between Finor and CWTL (17.40%)	*Not Applicable*	*Not Applicable*	*CWTL-Thailand, CWTL-Malaysia (3%)*	*Not Applicable*
	Value of the proposed transactions as a percentage of the related party's annual standalone turnover for the immediately preceding financial year.	*20% against CCL* *80% against CWTL*	*187.5% against CCL*	*By Revasoft against- CCL- 195%* *CWTL-260%%* *Finor-100%* *CDL-55%* *CMTL= 55%*	CWTL-Thailand = 486.44% by CWTL CWTL-Malaysia against 228% by CWTL	*21.41% against CCL*

B. Details for specific transactions – Sale of Goods & Services between Listed Company & Related Parties						
10.	Specific type of the proposed transaction (e.g. sale of goods/ services, purchase of goods/services, giving loan, borrowing etc.)	Sale and Purchase of Goods and Services Lease Rent Reimbursement of Expenses	*Sale and Purchase of Goods and Services*	*Sale and Purchase of Goods and Services*	*Sale and Purchase of Goods and Services Inter Corporate Loan & Guarantee*	*Sale and Purchase of Goods and Services*
11.	Details of the proposed transaction					
12.	Tenure of the proposed transaction : *12 Months*					
13.	Indicative date / timeline for undertaking the transaction : *FY 2025-26*					
14.	Whether omnibus approval is being sought? : *Yes*					
15.	Value of the proposed transaction during a financial year. In case approval of the Audit Committee is sought for multi-year contracts, also provide the aggregate value of transactions during the tenure of the contract. If omnibus approval is being sought, the maximum value of a single transaction during a financial year.: *Please refer point no. 9 (A) (5)*					
16.	Whether the RPTs proposed to be entered into are: not prejudicial to the interest of public shareholders, and' going to be carried out and on the same terms and conditions as would be applicable to any party who is not a related party : Yes, the proposed related party transactions (RPTs) are not detrimental to the interests of public shareholders and will be conducted on the same terms and conditions as those applicable to transactions with unrelated parties.					
17.	Provide a clear justification for entering into the RPT, demonstrating how the proposed RPT serves the best interests of the listed entity and its public shareholders. : *The above transactions shall be in the ordinary course of business of the Company and on an arm's length basis. For related party transactions (RPTs), pricing will be determined based on the Arms Length criteria, considering the market price or an alternative pricing method relevant to the materials and/or services involved. For reimbursements or recoveries, the pricing will reflect the actual costs incurred.*					
18.	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly. The details shall be provided, where the shareholding or contribution or % sharing ratio of the promoter(s) or director(s) or KMP in the related party is more than 2%. a. Name of the director / KMP, b. Shareholding of the director / KMP, whether direct or indirect, in the related party Details of shareholding (more than 2%) of the director(s) / key managerial personnel/ partner(s) of the related party, directly or indirectly, in the listed entity including a. Name of the director / KMP/ partner and b. Shareholding of the director / KMP/ partner, whether direct or indirect, in the listed entity *Mr. Sameer Vinod Shah and Mr. Nirmal Vinod Shah and their relatives as defined in the Companies Act and who part of "Promoter and Promoter Group". The details of shareholding are as follows*					

Name of Company	Holding %
Chembond Chemicals Limited (Formerly Chembond Chemical Specialties Limited)	67.65 % holding by Promoter and Promoter Group
Chembond Water Technologies Limited	Wholly Owned Subsidiary
Chembond Water Technologies (Thailand) Co, Limited	Wholly owned subsidiary of Chembond Water Technologies Ltd which in turn is a wholly owned subsidiary of Chembond Chemicals Ltd (formerly Chembond Chemical Specialties Ltd).
Chembond Water Technologies (Malaysia) Sdn. Bhd	
Chembond Calvatis Industrial Hygiene Systems Limited	Subsidiary (55% holding) of Chembond Chemicals Limited (formerly Chembond Chemical Specialties Limited)
Chembond Distribution Limited	Wholly Owned Subsidiary
Rewasoft Solutions Private Limited (RSPL)	40% shares held by Chembond Water Technologies Ltd which in turn is a wholly owned subsidiary of Chembond Chemicals Ltd (formerly Chembond Chemical Specialties Ltd).
Finor Piplaj Chemicals Limited (FPL)	Promoter and Promoter Group holds 100% shares
Chembond Material Technologies Limited (CMTL)	Group Company

	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee : *Not Applicable*
	Other information relevant for decision making: *All relevant / important information forms part of this Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013*

Other than Mr. Nirmal V. Shah, Mr. Sameer V Shah and/or their relatives, none of the other Directors and Key Managerial Personnel and/or their relatives are concerned or interested in the said Resolution.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 5 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 5 of the Notice, whether the entity is a Related Party to the particular transaction or not.

ITEM NO. 6

On the basis of the recommendation of the Nomination and Remuneration Committee, and upon careful consideration and deliberation on a host of points such as qualifications, experience, expertise, responsibilities shouldered, volume of the Company's business and profits and the prevailing practices in the Industry, the Board of Directors thought it prudent and in the best interest of the Company to appoint Mr. Nirmal V. Shah as the Chairman and Managing Director of the Company for the tenure of 5 (five) years with effect from June 1 2025 to May 31 2030, on the terms and conditions and remuneration as detailed hereinbelow, subject to approval of its Members by a Special Resolution. The salient features of the terms and conditions of appointment of Mr. Nirmal V. Shah, age 53 years are as follows:

1.	Appointment Tenure	5 years; from June 1, 2025 to May 31, 2030
2.	Remuneration	Basic + DA up to a maximum of Rs. 16,66,667 per month individually with increments as may be decided by the Board of Directors from time to time.
3.	Perquisites and allowances	House rent allowance, rent free furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of company car for official purposes, telephone at residence, contribution to provident fund, superannuation fund, payment of gratuity, leave encashment etc.
4.	Incentive / Performance Bonus	As may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard) shall also be payable which shall not exceed Rs.100 lakhs for each financial year.
5.	Annual Increment	The Board / Nomination & Remuneration Committee will decide on the Annual increment and incentive payment based on merit which shall be within the limits as mentioned above.
6.	Overall Remuneration	The aggregate of salary, perquisites, allowances and commission in any one financial year, as may be decided by the Board of Directors, i.e. total remuneration may exceed 10% of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013, however the remuneration payable by the Company shall be within the prescribed limits of total managerial remuneration payable to all Managing Director / Whole-Time Director / Manager in aggregate under Section 197 read with Schedule V of the Companies Act, 2013 or such higher percentage of net profits of the Company as may be prescribed from time to time (including any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard). The total managerial remuneration payable by the Company, to the directors, including managing director and whole-time director and manager in respect of any financial year may exceed 11% of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013, subject to necessary approvals as prescribed under Section 197 of the Companies Act, 2013, Schedule V of the Companies Act, 2013 and Rules made thereunder and any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard. The Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-tax Act, 1961, Gratuity payable as per the rules of the Company, use of Company's Car for official duties and telephone at residence (including payment for local calls and long distance calls) shall not be included in the computation of limits for the remuneration as per Schedule V of the Companies Act, 2013 (the Act).
7.	Minimum Remuneration	Where in any financial year during the currency of the tenure of the CMD, the Company has no profits or its profits are inadequate, the appointees shall be paid the aforesaid remuneration as "Minimum Remuneration" in the respective financial year(s) the same may exceed the ceiling limit laid down under Section 197 and Schedule V to the Act, subject to approval of any statutory authority, if required.

8.	Other Terms and Conditions	
	Sitting fees	No sitting fees will be paid for attending the meetings of the Board of Directors or Committees thereof.
	Retirement by Rotation	Mr. Nirmal V. Shah shall not be liable to retire by rotation whilst he continues to hold office of Chairman and Managing Director.
	Reimbursement of Expenses	Expenses actually and properly incurred in the course of legitimate business of the Company including travelling, hotel and incidental expenses incurred by him in India / overseas exclusively on Company business shall be reimbursed.
	Termination	The Agreement may be terminated by either party by giving three months' / mutually agreed advance notice to the other side.
The terms and conditions of the said appointment and/or agreement may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and deemed fit, within the limits prescribed in Schedule V to the Act or any subsequent amendments or modifications made thereto.		

Information as required under Part II Section II (A)(iv) of Schedule V of the Act is given below:

Particulars	**Information**
Nature of Industry	The Company is in the business of speciality chemicals.
Date or expected date of commencement of commercial production.	The Company has been carrying out its business since 22nd March 1975 under its now demerged company Chembond Material Technologies Ltd (formerly Chembond Chemicals Ltd) (CMTL). As a result of the Scheme of Arrangement duly approved vide dated April 7, 2025 by NCLT Mumbai Bench, some of the businesses of CMTL (formerly CCL) moved to CCL (formerly CCSL) with effect from April 1, 2024 (appointed date) and May 3, 2025 (effective date). The Company thus already has a running business.
In case of a new company, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus	Not Applicable

Financial Performance (Standalone) (Rs. Lakhs) *Note: The Company has incorporated on December 12, 2023, therefore restated data is given for last two FY as per composite scheme of arrangement*	**Particulars**	**as on 31-Mar-2025**	**as on 31-Mar-2024**
	Equity	1,344.83	1,344.83
	Reserves & Surplus	8,019.38	7,570.33
	Total Income	7,321.12	7,262.59
	Profit Before Tax	758.39	1,100.13
	Profit After Tax	602.86	743.03
Foreign Investments or Collaborations, if any.	Chembond Calvatis Industrial Hygiene Systems Ltd (55% owned subsidiary of CCL) is a collaboration between CCL and Calvatis GmbH, Germany.		
Information about the appointees			
Brief Profile, Job Profile and Suitability	Mr. Nirmal V. Shah was the Vice-Chairman and Managing Director of Chembond Chemicals Limited (since renamed as Chembond Material Technologies Ltd) from 1st August 2006 up to 30th May 2025 until he resigned to take up the position of Chairman and Managing Director of Chembond Chemical Specialties Limited (since renamed as Chembond Chemicals Ltd). He continues to be the Managing Director of Chembond Water Technologies Ltd. Mr. Nirmal V. Shah hails from the promoter family of Chembond being the son of the founder – Dr. Vinod D. Shah. Over his career spanning almost 30 years, he has held various managerial positions in the Company its Joint Ventures and subsidiaries managing diverse businesses. His core strengths are in organisational management and strategy development. He is on the Boards of Chembond Water Technologies Ltd, Chembond Distribution Ltd, Chembond Calvatis Industrial Hygiene Systems Ltd, Chembond Material Technologies Ltd, Finor Piplaj Chemicals Ltd, Visan Holdings Pvt Ltd and Rewasoft Solutions Pvt Ltd.		
Past Remuneration	As the Managing Director Mr. Nirmal V. Shah drew a remuneration of Rs.100.75 Lakhs in FY 2024-25 from Chembond Chemicals Ltd (since renamed as Chembond Material Technologies Ltd). The said amount has been transferred and accounted for in the restated financials of the Company.		
Recognition or Awards	Nil		

Remuneration proposed	Details of total remuneration comprising of Salary, Perquisites and other information which is proposed to be paid to Mr. Nirmal V. Shah for the period of their appointment is set out above.
Comparative Remuneration Profile with respect to industry, size of Company, profile and position of the person.	Considering the experience and knowledge of Mr. Nirmal V. Shah, he is entitled to a higher remuneration in the similar nature of industry than recommended by the Board at present.
Pecuniary relationship directly or indirectly with the Company or relation with Managerial Personnel, if any.	Mr. Nirmal V. Shah is a promoter of the Company and directly holds 35,90,380 equity shares of the Company. Except for the proposed remuneration stated above, he does not have any other pecuniary relationship with the Company.
Other Information	
Reasons of loss or inadequate profit	The Company is a profit-making entity.
Steps taken or proposed to be taken for improvement	The Company reviews its business regularly and reinforces its sales, operations and R&D teams to keep opening avenues for growth.
Expected Increase in productivity and profits in measurement terms	It is difficult to forecast the productivity and profitability in measurable terms. The Company always aims to keep improving its revenue, productivity and profitability metrics over each successive year.
Disclosures	
Remuneration package of the appointee	Details of total remuneration comprising of Salary, Perquisites and other information which is proposed to be paid to Mr. Nirmal V. Shah for the period of appointment is already given above.
Details of fixed component and performance linked incentive along with the performance criteria.	Disclosure on all elements of the remuneration package of all the Directors of the company is given in the Corporate Governance section.
Service Contract, Notice Period, Severance Fees	Service Contract is for a period of 5 years from June 1, 2025. Advance notice period is 3 months or as may be mutually agreed.
Stock Options details	Not Applicable

Details required under Section 102 of the Companies Act, 2013, other Information/Disclosure in compliance with the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India in respect of the Directors proposed to be appointed and their Brief Resume have been provided under the Explanatory Statements annexed to this Notice.

Considering the qualifications, experience, expertise, responsibilities carried by Mr. Nirmal V. Shah, the rising volume of Company's business and profits earned by it, the proposed appointment and terms of remuneration can be considered as reasonable.

Your Directors are of the opinion that the appointment of Mr. Nirmal V. Shah as the Chairman and Managing Director is in the best interest of the Company.

The above Explanatory Statement shall be construed as an abstract of the terms of the appointment / reappointment / variations, together with a Memorandum of interest or concern of the interested Directors, as prescribed under Section 190 of the Act.

Except, Mr. Sameer V. Shah and Mr. Nirmal V. Shah, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in anyway, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends passing of the special resolutions as set out at Item Nos. 6 of the accompanying Notice for approval of Members.

By Order of the Board of Director
of **Chembond Chemicals Limited**
(formerly Chembond Chemical Specialties Limited)

Nirmal Vinod Shah
Chairman & Managing Director
DIN-00083853

Navi Mumbai, June 30, 2025

PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS (E-VOTING):

1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations (as amended), and the Circulars issued by MCA, your Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

   The remote e-voting period begins on Monday, August 11, 2025 at 09:00 A.M. and ends on Wednesday, August 13, 2025 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, August 7, 2025 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, August 7, 2025.

   Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.

   How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on **"Access to e-voting"** under e-Voting services and you will be able to see e-voting page. Click on company name or **e-voting service provider i.e. NSDL** and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon **"Login"** which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or **e-voting service provider i.e. NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) **If you are already registered for e-voting, then you can use your existing password to login and cast your vote.**

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your e-mail id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail id. Trace the email sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your e-mail id is not registered, please follow steps mentioned below in **process for those shareholders whose e-mail ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of **Chembond Chemicals Limited (Formerly Chembond Chemical Specialties Limited)** to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-voting as the voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bhattvirendra1945@yahoo.co.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on **www.evoting.nsdl.com** to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: **022 - 4886 7000** and **022 - 2499 7000** or send a request to Mr. Sanjeev Yadav, Assistant Manager-NSDL at sanjeevy@nsdl.co.in or at evoting@nsdl.co.in

Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to ccsl@chembondindia.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to ccsl@chembondindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated 9th December, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail id correctly in their demat account in order to access e-voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from Mobile Devices or Tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@chembondindia.com. The same will be replied by the company suitably.

6. Registration of Speaker –

    a. Shareholders who would like to speak during the meeting must register their request on or before August 7, 2025, mentioning their name, demat account number/folio number, e-mail id, mobile number at cs@chembondindia.com.

    b. Shareholders will get confirmation on first-cum-first served basis depending upon the provision made by the client.

c. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

d. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

e. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

f. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

g. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

h. The Members who do not wish to speak during the AGM but have queries may send their queries in advance at least 7 days prior to meeting, mentioning their name, demat account number/folio number, e-mail id, mobile number at cs@chembondindia.com. These queries will be replied to by the Company suitably by e-mail.

i. Members are encouraged to join the Meeting through laptops / tablets for better experience.

j. Further, Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.

OTHER INFORMATION:

i. Attending the e-AGM: Members will be able to attend the AGM through VC/OAVM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.

ii. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

iii. Members who need technical assistance before or during the AGM, can contact NSDL. Corporate members intending to send their authorized representatives to attend the AGM through VC / OAVM pursuant to the provisions of Section 113 of the Act are requested to send a certified copy of the relevant Board Resolution to the Company.

iv. The Company has appointed Mr. Virendra Bhatt, (Membership no. ACS-1157, CP no. 124) and in his absence Ms. Indumati Zaveri (Membership no. 2209, CP no. 7245), as the Scrutinizer to scrutinize the remote e-voting as well as the votes cast at the time of AGM in a fair and transparent manner.

v. The Scrutinizer shall, immediately after the conclusion of AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses, who are not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, within the prescribed time limit after the conclusion of the AGM to the Chairman or the Company Secretary or a person authorised by the Chairman, who shall declare the result of the voting forthwith.

vi. The resolution(s) will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolution(s). The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company at www.chembondindia.com and Service Provider's website at evoting@nsdl.co.in the communication will be sent to the BSE Limited and National Stock Exchange of India Limited.

BOARD'S REPORT

To,

The Members,

Your Directors' take pleasure in presenting the Annual Report on the business and operations of your Company together with the audited financial statements for the year ended 31st March, 2025.

Financial Results and State of Affairs

Your directors are pleased to inform that the Composite Scheme of Arrangement between Chembond Material Technologies Limited (formerly Chembond Chemicals Limited) ("Demerged Company" / "Transferee Company") and Chembond Chemicals Limited (formerly Chembond Chemical Specialties Limited) ("Resulting Company") and Chembond Clean Water Technologies Limited ("Transferor Company No. 1" Or "CCWTL") and Chembond Material Technologies Private Limited ("Transferor Company No. 2" Or "CMTPL") and Phiroze Sethna Private Limited ("Transferor Company No. 3" Or "PSPL") and Gramos Chemicals (India) Private Limited ("Transferor Company No. 4" Or "GCIPL") and their respective shareholders has been sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated April 7, 2025 and certified copy of the order was received by Demerger Company on April 22, 2025. The Scheme of Arrangement became effective upon filing the NCLT order with the Registrar of Companies on May 3, 2025. In accordance with the Scheme, the 'Appointed Date' is April 1, 2024.

The restated financial performance of your Company is as summarized below for the year under review:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations	6940.04	6886.05	29227.34	28323.95
Other Income	381.08	376.54	582.98	370.43
Total Income	7321.12	7262.59	29810.32	28694.38
Total expense	6562.72	6162.46	25593.34	24449.58
Profit before taxes and exceptional items	758.39	1103.13	4216.98	4244.80
Profit before taxes after exceptional items	758.39	1103.13	4216.98	4244.80
Provision for taxation for the year including deferred tax	155.53	360.10	1125.53	1242.51
Profit after Taxes	602.86	743.03	3091.45	3001.79
Share of Profit(loss) of Step Down Associate	-	-	0.45	0.50
Profit for the year	602.86	743.03	3091.90	3002.29

Dividend

The Board of Directors has recommended a final dividend of ₹1.25 per share for the financial year ended 31st March 2025. This includes a special dividend of ₹0.50 per share to commemorate the 50th anniversary of the founding of the Chembond Group.

Change in the Nature of Business

Except for the realignment resulting from the implementation of the Composite Scheme of Arrangement duly approved by the NCLT, Mumbai vide their order dated April 7, 2025 there is no other change in the nature of business or the business line of the Company. We are engaged in the manufacturing and sales of specialty chemicals. Your Company offers comprehensive solutions for ***water treatment***, industrial and institutional ***cleaning and hygiene***, and high-performance ***construction chemicals***.

Composite Scheme of Arrangement

The Board of Directors of the Company at its meeting held on 12th December 2023 approved the Composite Scheme of Arrangement between:

1. Chembond Chemicals Ltd, *now known as Chembond Material Technologies Ltd* ("Demerged Company"/ "Transferee Company"), and
2. Chembond Chemical Specialties Ltd, *now known as Chembond Chemicals Ltd* ("Resulting Company"), and

3. Chembond Clean Water Technologies Ltd ("Transferor Company No. 1" or "CCWTL"), and

4. Chembond Material Technologies Pvt Ltd ("Transferor Company No. 2" or "CMTPL"), and

5. Phiroze Sethna Pvt Ltd ("Transferor Company No. 3" or "PSPL"), and

6. Gramos Chemicals (India) Pvt Ltd ("Transferor Company no. 4" or "GCIPL"), and

7. their respective shareholders under Section 230-232 and other applicable provisions of the Act.

The Scheme envisages the transfer of the construction chemicals and water treatment ("CC & WT") businesses to its wholly owned subsidiary ("WOS") Chembond Chemical Specialties Ltd (since renamed as Chembond Chemicals Ltd) by way of demerger and, post demerger amalgamation of CCWTL with the Resulting Company. The National Company Law Tribunal (NCLT) has approved the scheme vide its order dated April 7, 2025. The Company has filed INC 28 on May 3, 2025, and accordingly, the Scheme has become effective from Saturday, May 3, 2025. Pursuant to Clause 42 of the Composite Scheme of Arrangement, the name of the Company has been changed from 'Chembond Chemical Specialties Ltd' to 'Chembond Chemicals Ltd' with effect from June 24, 2025.

Share Capital

The movement of Equity Capital is as under:

Particulars	No. of Equity Shares	Equity Share Capital (₹)
Equity Capital as on December 12, 2023	10000	50,000
Increase/ Decrease during the year	Nil	Nil
Equity Capital as on 31st March 2024	10,000	50,000
Allotment of shares as per Composite Scheme of arrangement on May 13, 2025	2,68,96,576	13,44,82,880
Cancellation of original share capital held by Chembond Material Technologies Limited *(formerly known as Chembond Chemicals Limited)* as per composite scheme of arrangement	(10,000)	(50,000)
Equity Capital as on May 13, 2025	2,68,96,576	13,44,82,880

Pursuant to and in accordance to the above-referred NCLT approved Scheme, the Allotment Committee has allotted 2,68,96,576 (Two Crores Sixty-Eight Lakhs Ninety-Six Thousand Five Hundred Seventy-Six) new equity shares of face value ₹5/- each (Rupees Five) to the eligible shareholders of Chembond Chemicals Ltd, now known as Chembond Material Technologies Ltd, ("Demerged Company"), at a share entitlement ratio of 1:2 (two new equity share for every one shares held) as on the record date, which was Friday, May 9, 2025.

The Allotment Committee noted the cancellation and reduction of the entire pre-Scheme paid-up share capital of the Resulting Company, comprising 10,000 (Ten Thousand) fully paid-up equity shares of face value ₹5/- each ("Resulting Company Cancelled Shares"), which were held entirely by Chembond Chemicals Ltd ("Demerged Company"). The reduction in share capital of the Resulting Company is an integral part of the scheme in accordance with the provision section 66 of the Companies Act 2013 and/or any other applicable provision of the Act without any further act or deed on the part of Resulting Company and without any approval or acknowledgement of any third party. With the allotment of the new equity shares and the cancellation of the Resulting Company Cancelled Shares, as outlined above, the Resulting Company will no longer be considered a WOS of the Demerged Company, in accordance with the provisions of the Scheme. Your Company has only one class of Equity Shares and it has neither issued shares with differential rights for dividend, voting or otherwise, nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme. No disclosure is required under Section 67(3)(c) of the Act in respect of voting rights not exercised directly by the employees or Key Managerial Personnel of the Company as the provisions of the Section are not applicable.

The Company is in the process of the listing of 2,68,96,576 (Two Crores Sixty-Eight Lakhs Ninety-Six Thousand Five Hundred Seventy-Six) new equity shares of face value ₹5/- each on BSE Ltd [BSE] and the National Stock Exchange of India Ltd [NSE]. The shares will be listed upon receipt of the requisite listing and trading approvals from the respective stock exchanges.

Deposits

The Company has not accepted any deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time.

Directors and Key Managerial Personnel

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Sameer V. Shah (DIN: 00105721) Non-Executive Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for re-appointment. His profile is detailed in the Corporate Governance Report, which forms a part of this Annual Report.

Mrs. Rashmi Gavli (DIN: 08001649) resigned as a Non-Executive Director with effect from April 1, 2025. The Board places on record its appreciation for her contributions during her tenure with the Company.

The Board appointed Mrs. Anuradha Paraskar (DIN: 02331564) and Prof. Aniruddha B. Pandit (DIN: 02471158) as Independent Non-Executive Directors of the Company with effect from April 1, 2025, for a term of five years. The Board appointed Mr. Sushil U. Lakhani (DIN: 01578957) and Mr. Mahendra K. Ghelani (DIN: 01108297) as Independent Non-Executive Directors of the Company with effect from May 6, 2025, for a period of five years. Their appointments were duly approved by the Members through an Extraordinary General Meeting by the requisite majority.

In terms of key managerial changes, the Company appointed Mrs. Prachi Mahadik as its Chief Financial Officer with effect from April 1, 2025, and Mr. Kiran Mukadam as its Company Secretary and Compliance Officer with effect from May 6, 2025.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Nirmal V. Shah, Chairman and Managing Director; Mrs. Prachi Mahadik, Chief Financial Officer; and Mr. Kiran Mukadam, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company as on the date of this Report.

Declaration by Independent Directors

All the Independent Directors of the Company have furnished a declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations. The Board opines that all the Independent Directors possess the integrity, expertise, experience, and proficiency required to be Independent Directors of the Company, fulfil the conditions of independence as specified in the Act and the Listing Regulations, are independent of the management, and have complied with the Code for Independent Directors as prescribed in Schedule IV of the Act. Declaration of their independence as required under the Listing Regulations have also been received from the Directors.

Policy on Directors appointment and remuneration

The Company has put in place an appropriate policy on appointment and remuneration of Directors and other matters provided under Section 178(3) of the Act. This policy is uploaded on the Company's website https://www.chembondindia.com/all-policies/. Salient features of the policy on remuneration of Directors have been disclosed in the Corporate Governance section of this Annual Report.

Number of Board Meetings

Four (4) meetings of the Board were held during the year under review, details of which are furnished in the Corporate Governance Report forming part of the Annual Report.

Performance evaluation and its criteria

During the year under review, the provisions relating to the Nomination and Remuneration Committee and the requirement for a separate meeting of Independent Directors were not applicable to the Company. Accordingly, the evaluation of the performance of Non-Independent Directors, the Board as a whole, and the Chairman was not required. Correspondingly, the assessment of the quality, quantity, and timeliness of the flow of information to the Board, as reviewed by the Independent Directors for the effective and reasonable discharge of its duties, was also not applicable.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, in respect of the year ended 31st March, 2025, confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

(b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) they took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they prepared the annual accounts on a going concern basis;

(e) they laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) they devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Audit Committee

The details in respect of role/powers/composition of the Audit Committee and other information are included in the Corporate Governance Report forming part of this Annual Report.

Statutory Auditor

M/s. Bathiya & Associates, LLP, Chartered Accountants (FRN:101046W/W100063) name changed to S H B A & CO LLP were appointed for first term as the Statutory Auditor of the Company for a period of 5 (five) consecutive years at the 1st Annual General Meeting (AGM) held on July 20, 2024 until the conclusion of the 6th AGM to be held in the FY 2029 at a remuneration as may be mutually agreed upon by the Board of Directors and the Statutory Auditor.

The Report given by the Auditors on the financial statements of the Company is part of this Report. There has been no modified opinion, qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report during the year under review and the observations and comments given in the report of the Statutory Auditors read together with Notes to Accounts are self-explanatory and hence do not call for any further explanation or comments under Section 134 (f)(i) of the Act.

Reporting of Fraud

During the year under review, the Statutory Auditor, Cost Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Annual Report.

Subsidiaries and Step-down subsidiaries

The Company has been carrying on its domestic and international operations through its wholly owned subsidiaries, step-down subsidiaries, and step-down associate Companies. The details of financial performance of these companies are given in AOC-I as **Annexure A.**

Further, pursuant to the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website https://www.chembondindia.com/subsidiary-financials/.

Pursuant to the Composite Scheme of Arrangement and NCLT order dated April 7, 2025, Chembond Clean Water Technologies Ltd stands amalgamated on May 3, 2025.

Particulars of Related Party Transactions

All transactions entered into with related parties during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188(1) of the Act. Suitable disclosures as required by the Indian Accounting Standards (Ind AS-24) have been made in the notes to the Financial Statements. The Board has a policy for related party transactions which has been uploaded on the Company's website https://www.chembondindia.com/all-policies/. Material RPT entered during the year are attached as **Annexure B** in Form No. AOC-2, prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014.

The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Account) Rules, 2014, as amended from time to time, are provided in **Annexure C.**

Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, the Board of Directors of the Company has duly constituted the Corporate Social Responsibility (CSR) Committee, adopted CSR policy. The CSR policy is available on Company's website at https://www.chembondindia.com/all-policies/.

During the year, the Company was not subject to the Corporate Social Responsibility (CSR) spending obligation, as it did not meet the eligibility criteria prescribed under Section 135(1) of the Companies Act, 2013. However, the CSR obligations were applicable to Chembond Water Technologies Limited (WOS) and Chembond Clean Water Technologies Limited which was amalgamated with the Company on May 3, 2025. These companies spent Rs. 47.96 lakhs and Rs. 8.07 lakhs, respectively, on CSR activities during the financial year 2024–25 through Visan Trust. The Company has identified key focus areas for CSR engagement, which are detailed in the Annual Report on CSR Activities, attached as **Annexure D.**

Secretarial Auditor & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed Mr. Virendra G. Bhatt, Practicing Company Secretary (C.P. No.: 124) to undertake the Secretarial Audit of the Company for the year ended 31st March, 2025. The Company has received their written consent and confirmation that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Secretarial Audit Report in Form MR- 3 for the Financial Year ended 31st March, 2025 has been annexed as **Annexure E.** The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) during the year under review. There are no qualification, reservation, adverse remark or disclaimer given by the Secretarial auditor in their report for the year under review.

Remuneration to Directors and Key Managerial Personnel

Information regarding Directors' Remuneration Policy & criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 are provided in the Corporate Governance Report.

Particulars of employees

The statement containing particulars of employees as required under Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, will be provided upon request to the Company. None of the employees of the Company are being paid remuneration exceeding the prescribed limit under the said provisions and Rules.

In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting

Policies and Disclosure Requirements

In terms of the provisions of the Act and the Listing Regulations, the Company has adopted all the applicable policies. The policies are available on the website of the Company at https://www.chembondindia.com/all-policies/.

All Directors and Senior Management Personnel have affirmed their adherence to the provisions of the Code of Conduct during the FY 2024-25. The Company's policy on Directors' appointment, remuneration and other matters provided in Section 178(3) of the Act forms part of Nomination and Remuneration Policy and has been disclosed in the Corporate Governance Report.

Risk Management

As per the requirements of the Listing Regulations, a Risk Management Committee was constituted voluntarily with responsibility of preparation of Risk Management Plan, reviewing and monitoring the same on regular basis, to identify and review critical risks on regular basis, to report key changes in critical risks to the Board on an on-going basis, to report critical risks to Audit Committee in detail on yearly basis and such other functions as may be prescribed by the Board. The Company has its Risk Management Policy in place which is also displayed on the website of the Company i.e. https://www.chembondindia.com/all-policies/.

Internal Financial Control System

The Board is responsible for establishing and maintaining adequate internal financial control as per Section 134 of the Act. Your Company has in place an adequate system of internal controls to ensure compliance with various policies, practices and statutes. The Company maintains robust internal financial controls systems and processes that are commensurate with the size, nature, geographical spread and complexities of its operation both at entity and process levels of the Company.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented , forming part of this Annual Report.

Corporate Governance & Vigil Mechanism

A separate Corporate Governance Report on compliance with Corporate Governance requirements as required under Regulation 34(3) read with Schedule V of the Listing Regulations forms part of this Annual Report. The same has been reviewed and certified by Mr. Virendra G. Bhatt, Practicing Company Secretary, the Secretarial Auditor of the Company and Compliance Certificate in respect thereof is enclosed.

The Company has formulated a Whistle Blower Policy, details of which are furnished in the Corporate Governance Report, thereby establishing a vigil mechanism for Directors and permanent employees for reporting genuine concerns or grievances, if any, about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct or policies. It also provides adequate safeguards against the victimization of employees and allows direct access to the chairperson of Audit Committee in appropriate or exceptional cases. The vigil mechanism / whistle blower policy is available on Company's website https://www.chembondindia.com/all-policies/.

Particulars of Loans, Guarantees and Investments

Details of loans, guarantees and investments have been disclosed in the Financial Statements.

Prevention, Prohibition and Redressal of Sexual Harassment of Women

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy for Prevention of Sexual Harassment at workplace is available on the website of the Company https://www.chembondindia.com/all-policies. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. They are also provided training about the Act. During the year under review, no complaint was received.

Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report for the year ended 31st March, 2025 as stipulated under Regulation 34 of the Listing Regulations is not applicable to the Company.

Material changes and commitment

Except as disclosed elsewhere in the Report, there have been no material changes and commitment affecting (except mentioned in share capital , name change and scheme of arrangement related point) , the financial position of your Company, which have occurred between the end of the financial year of the Company and the date of this Report.

Significant and Material Orders

During the year under review, there is no pending litigation against the Company and its Directors. There has been no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its future operations.

Research and Development

The Company recognizes the need to have well-equipped R&D facilities to meet customer requirements and to develop cutting edge products. As a natural corollary, your Company continues to invest in a R&D programme with processes that suit the business and strategy of the Company.

Acknowledgements

The Board of Directors places on record its sincere appreciation for the hard work, dedication, and commitment demonstrated by its personnel across all levels of the organization. The Board also gratefully acknowledges the continued support and cooperation extended by the bankers, suppliers, business partners, members, various government authorities, and all other stakeholders who have contributed to the Company's progress.

By Order of the Board of Director
of **Chembond Chemicals Limited**
(formerly Chembond Chemical Specialties Limited)

Nirmal Vinod Shah
Chairman & Managing Director
DIN-00083853

June 30, 2025, Navi Mumbai

ANNEXURE A - AOC 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture as on 31 March, 2025

Rs. in lakhs

SN	Name of the Subsidiary/ Associate	Date of Incorporation	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	% of shareholding
1	Chembond Water Technologies Limited	12.12.1984	50.00	11,701.17	14,783.31	3,032.14	1,465.36	22,985.54	3,545.39	891.11	2,654.28	100%
2	Chembond Calvatis Industrial Hygiene Systems Limited	12.12.2008	49.99	86.19	191.11	54.93	132.73	160.84	(27.29)	0.12	(27.41)	55%
3	Chembond Distribution Limited	15.09.2018	5.00	1,204.79	1,456.15	246.36	906.60	2,335.34	188.86	47.32	141.54	100%
4	Chembond Water Technologies (Malasiya) SDN. BHD.#	24.02.2016	38.54	157.61	228.17	32.02	-	301.48	108.32	31.45	76.87	100%
5	Chembond Water Technologies (Thailand) Company Limited##	06.02.2020	100.64	(73.72)	159.47	132.55	-	143.90	28.38	-	28.38	100%
6	Rewasoft Solutions Private Limited	06.07.2022	5.00	(0.40)	20.35	15.75		45.13	1.96	0.83	1.13	40%

Step-down subsidiary company, Malaysia Ringgit - 1 RM = INR 19.2715 as on 31.03.2025 and ## Step-down subsidiary company and Thai Baht - 1 THB = INR 2.5160 as on 31.03.2025

1. Name of Subsidiaries / Associates which are yet to commence operations: None
2. Names of Subsidiaries / Associates which have been liquidated and sold during the year: None
3. Chembond Clean Water Technologies Limited is amalgamated with Chembond Chemical Specialties Limited as per approve scheme of arrangement and NCLT order dated April 7, 2025

ANNEXURE B

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name(s) of the related party and nature of relationship	Chembond Water Technologies Limited (Wholly Owned Subsidiary)	Finor Piplaj Chemicals Limited (Group Company)
		Common Directors and Significant Influence	
b)	Nature of contracts/arrangements/transactions	Job Work Charges/ Sale of Goods	Purchase/ Sales of goods or services
c)	Duration of the contracts / arrangements/transactions	During FY 2024-25	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The Related Party Transactions (RPTs) were in ordinary course of Business and on arms length basis	
e)	Date(s) of approval by the Board	25th May 2024*	
f)	Amount paid as advances, if any:	NIL	NIL
g)	Value of Transactions (Rs. in lakhs) *	2534.23	654.08

* The Demerged Company named Chembond Material Technologies Ltd (formerly Chembond Chemicals Ltd) approved the related party transactions in their Board meeting held on May 25, 2024. Please refer standalone financial statements Note No. 39

For and on behalf of the Board of Directors

Nirmal V. Shah
Chairman and Managing Director
DIN: 00083853

Date: June 30, 2025
Place: Navi Mumbai

ANNEXURE C

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars required under Section 134 of the Companies Act, 2013 including rules framed there under:

(A) Conservation of Energy

i The steps taken or impact on conservation of energy:

The Company continues to implement energy consumption reducing initiatives at its plants and offices such as improving energy intensive manufacturing process, switching to lower consumption devices, amongst others. The Company is in an advanced stage of commissioning a rooftop solar renewable energy system at its plant in Gujarat.

ii The steps taken by the Company for utilizing alternate sources of energy:

The Company operates a solar rooftop renewable energy system at its Mahape office

iii The capital investment on energy conservation equipment: Nil

(B) Technology Absorption

(i) The efforts made towards Technology Absorption:

The Company maintains an ongoing focus on R&D, continually assimilating advanced technologies, and introduces new products that enhance the performance and quality of its solutions. Efforts have been directed towards adopting high-end technologies both domestically and internationally. Product quality has improved through better control of impurities, aligned with customer specifications. The Company continues to upgrade its software and automation systems to boost operational efficiency. Employee training programs are regularly conducted to enhance technical capabilities, and ERP systems with cloud-based platforms have been implemented to ensure seamless business operations.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

In view of the technology enhancement measures taken by the Company, the performance of products offered have improved at customer sites. The alternate technologies developed and introduced by the Company have helped maintain the competitive edge in spite of intense competition. The IT platforms give us real-time visibility and control of operations.

(iii) In case of imported technology (imported during the last three years reckoned from beginning of the financial year): NA

(iv) The expenditure incurred on Research & Development

(Rs. in Lakhs)

Particulars	2024-25	2023-24
Revenue Expenditure	4.22	1.72
Capital Expenditure	-	-
Total	**4.22**	**1.72**

(C) Foreign Exchange Earnings and Outgo:

(Rs. in Lakhs)

Particulars	2024-25	2023-24
Total Foreign Exchange Earned in terms of actual inflows	3.42	1.35
Total Foreign Exchange Outgo in terms of actual outflows	216.15	97.09

ANNEXURE D

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2024-25

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

   The objective of our CSR policy is to add value to the community and society through dedicated and impactful projects and engagement with the community. Chembond believes in undertaking sustainable CSR activities with a vision to actively contribute to the social and environmental development of the society in which we operate. The focus areas of our CSR activities are education, healthcare, and water sustainability.

2. Composition of CSR Committee:

   During the year 2024-25, the Company was not subject to the Corporate Social Responsibility (CSR) spending obligation, as it did not meet the eligibility criteria prescribed under Section 135(1) of the Companies Act, 2013. The Company has constituted its CSR Committee on May 6, 2025.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company**:** https://www.chembondindia.com/csr

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable **:** Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the company as per Section 135(5): NA

7. (a) Two percent of average net profit of the company as per section 135(5): NA

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NA

   (c) Amount required to be set off for the financial year, if any: NA

   (d) Total CSR obligation for the financial year (7a+7b-7c): NA

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (Rs. in lakhs)	Amount Unspent (Rs. in lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
8.07*	Nil	NA	NA	Nil	NA

   (b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8
Sl. No.	Name ofthe Project	Item from the list of activities in schedule VII to theAct	Local area (Yes/No)	Location of the project State and District	Amount spent forthe project (Rs. in lakhs)	Mode of implementation on- Direct (Yes/ No)	Mode of implementation – Through implementing agency
							Name and CSR Registration number
1.	Promotion of Education, (Women empowerment and vocational training) *	Improvement in education	Yes	Maharashtra Palghar	8.07	No	Visan Trust CSR00009446

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.8.07 lakhs*

(g) Excess amount for set off, if any: NIL

9. (a) Details of unspent CSR amount for the preceding three financial years: Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a) Date of creation or acquisition of the capital asset(s): NA

(b) Amount of CSR spent for creation or acquisition of capital asset: NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): NA

*Note: *Chembond Clean Water Technologies Ltd (CCWTL) was under an obligation to undertake Corporate Social Responsibility (CSR) activities in accordance with the applicable provisions of the Companies Act. The company's average net profit for the preceding three financial years amounted to ₹4,03,10,397, thereby resulting in a CSR obligation of ₹8,06,207 (i.e., 2% of the average profit).*

In fulfilment of this obligation, the CCWTL contributed and spent towards an educational initiative implemented through Visan Trust. Subsequently, pursuant to the Scheme of Arrangement and as per the order of the Hon'ble National Company Law Tribunal (NCLT) dated April 7, 2025, Chembond Clean Water Technologies Ltd was amalgamation *with Chembond Chemicals Ltd. The merger became effective on May 3, 2025.*

Chembond Water Technologies Limited (CWTL), a wholly owned subsidiary of Chembond Chemicals Limited (formerly Chembond Chemical Specialties Limited) contributed and spent Rs. 47.95 lakhs towards an educational initiative implemented through Visan Trust.

Nirmal V. Shah
Chairman and Managing Director
DIN: 00083853

Mumbai , 30th June 2025

Form No.: MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 read Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

CHEMBOND CHEMICAL SPECIALTIES LIMITED

EL-37, Chembond Centre, MIDC, Mahape, Navi Mumbai,
Thane, Maharashtra, India, 400710

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chembond Chemical Specialties Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of Chembond Chemical Specialties Limited's statutory registers, minute books, forms and returns filed with the Registrar of Companies ('the ROC') and other relevant records maintained by the Company and also the information provided by the Company, its Officers and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025 ("audit period"), prima facie complied with the statutory provisions listed hereunder and also that the Company has prima facie proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the statutory registers, minute books, forms and returns filed with the ROC and other relevant records maintained by Chembond Chemical Specialties Limited for the financial year ended on 31st March, 2025, according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made there under;

(ii) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - applicable only to the extent of Overseas Direct Investment;

(iii) I further report that, based on the Compliance Report of various Laws submitted by the Department Heads of the Company, I am of the opinion that the Company has prima facie proper system to comply with the applicable laws.

(iv) I have also examined compliance with the applicable clauses and I am of the opinion that the Company has prima facie complied with the applicable provisions of the Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

During the audit period, I am of the opinion that the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:

1. I have not examined the Financial Statement, financial Books and related financial Act, Foreign Currency Transactions, Related Party Transactions, including Reconciliation of Bank Statements etc. For these matters, I rely on the report of statutory auditor's and their observations, if any, and notes on accounts in Financial Statement for the year ended 31st March, 2025.
2. The Board of Directors of the Company is duly constituted with proper balance of Directors as prescribed under the Act. The changes in the composition of the Board of Directors that took place during the period under review were prima facie carried out in compliance with the provisions of the Act.
3. As per the information provided, prima facie adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for those Meetings which were held at shorter notice and consent taken.
4. I was informed and have observed from the minutes of the Board and Committee Meetings that all the decisions at the Meetings were prima facie carried out unanimously.
5. There are prima facie adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations and guidelines.
6. During the audit period, the Company reappointed M/S. S H B A & Co. LLP, Chartered Accountants (formerly M/S. Bathiya & Associates LLP, Chartered Accountants) as Statutory Auditor of the company.

I further report that:

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
4. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Virendra G. Bhatt
Practicing Company Secretary
ACS No.: 1157 / COP No.: 124
Peer Review Cert. No.: 6489/2025
UDIN: A001157G000687667

Date: 30th May, 2025
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

Over the past five decades since its inception, Chembond has strived to earn the reputation of being an ethical and trusted partner to its customers and stakeholders. Today, it is at the forefront of the Indian specialty chemicals industry, offering proven solutions for water treatment, construction chemicals, and industrial cleaning & hygiene. With deep expertise across our businesses, we cater to a wide spectrum of industries across the nation. Our steadfast commitment to innovation and excellence drives us to deliver tailored solutions that support the evolving needs of our customers and contribute meaningfully to India's industrial growth.

Global Economic Overview

The global economy continues to present a mixed and uncertain outlook, shaped by a combination of persistent geopolitical conflicts, elevated debt levels, extreme weather events, and widespread electoral activities across various regions. Global growth in 2025, estimated earlier at 3.2% (source: www.imf.org) is now likely to slow to 2025. This rate remains subdued compared to historical norms, due to short-term challenges such as high borrowing costs and the withdrawal of fiscal support, as well as long-term impacts stemming from the COVID-19 pandemic, geographical unrest and territorial conflicts, weak productivity growth, and increasing geoeconomic fragmentation. While risks to the global outlook are now considered broadly balanced, inflationary pressures and extended lead times continue to pose challenges to business demand and operational efficiency. On a positive note, renewable energy investments and green technology adoption are accelerating, offering potential avenues for sustainable growth (World Bank, 2025).

Indian Economic Overview

India's economic outlook for FY 2024–25 and FY 2025–26 reflects a sense of cautious optimism, underpinned by resilient domestic demand and supportive fiscal policies, despite ongoing global uncertainties. The economy is projected to grow at approximately 6.3% to 6.5% in FY 2024–25 & FY 2025-26, as estimated by the Economic Survey, FICCI, and the Reserve Bank of India (RBI). While this marks a slight moderation compared to recent years, it remains one of the highest growth rates among major global economies. With inflationary pressures easing, the RBI is expected to shift toward a more accommodative monetary policy stance, potentially reducing the repo rate to spur consumption and investment. The investment cycle is showing renewed momentum, bolstered by continued government focus on capital expenditure. This has contributed to improved capacity utilisation, increased resource flow to the commercial sector, and strong policy backing through initiatives like the Production Linked Incentive (PLI) scheme and other structural reforms.

Chemical Industry

The global specialty chemicals industry is undergoing rapid transformation, driven by its critical role in serving diverse, high-performance applications across multiple sectors. In 2024, the broader chemical industry has shown moderate progress with year-over-year production surpassing 2023 levels. This momentum is expected to continue into 2025 as global demand rebounds and the destocking cycle eases. To capitalize on this recovery, chemical companies are implementing cost-reduction strategies and focusing on margin improvement, all while maintaining investments in decarbonization and innovation. The American Chemistry Council (ACC) anticipates global chemical production to grow by 3.4% in 2024 and 3.5% in 2025, a marked improvement.

India's specialty chemicals sector, in particular, is well-positioned for accelerated growth through FY 2024–25 and FY 2025–26, driven by strong domestic demand, expanding export opportunities, and increased focus on import substitution. Key enablers include cost-effective manufacturing, advanced process engineering, and a skilled workforce. Additionally, the sector benefits from a strong emphasis on R&D, adherence to stringent compliance standards, and proactive government initiatives aimed at simplifying regulatory frameworks and promoting local production. With strategic investments and supportive policy measures, India's specialty chemicals industry is set to play an increasingly significant role in the global supply chain.

Business Overview and Product Portfolio

Water Technologies

We offer a range of chemicals, equipment systems and technical services for Total Water Management and water re-use across the industrial and C&I spectrum in the country and in limited international geographies. New product introductions and acquiring customers in newer segments is a continuing activity at Chembond Water and this year too we maintained momentum on this front. Our solutions are based on customer needs, years of field expertise, extensive customer system surveys, advanced performance monitoring techniques and proactive technical support to meet and exceed our customer's expectations. Our capabilities include managing all water treatment applications like raw water, cooling water, boiler feedwater, produced water and waste water to allow recycle and re-use of water while allowing the plant to run efficiently and reliably. Our solutions are positioned to afford higher water-use efficiency in industries through its appropriate treatment.

In FY 2024-25 the revenue from operations grew a modest 4.3% and the profit before tax grew by a little over 12%. Our team actively seeks revenue expansion opportunities from existing product lines as well as from new solutions while maintaining profit margins. We introduced a comprehensive line of Kem Watreat® water testing kits that are portable and reliable for field testing while being complimentary to our line of business. We also upgraded our Chembond FLUX® smart treatment program monitor and controller. Our team is cautiously bullish on the prospects of the business in the immediate future.

Construction Chemicals

Our portfolio of products to the construction industry comprises of admixtures, sealants, various cement-based ready-to-use products, waterproofing solutions, and curing compounds. These products have a significant positive impact on the construction speed and quality. The revenue of the business grew by 20.32% over the prior year and the product margin grew by 18.43% over the prior year.

The outlook for FY 2025-26 continues to remain positive with the continuing investments flowing into the construction segment. Consistent with our long-term approach, we will maintain a sharp focus on profitability and customer credit quality, prioritizing sustainable, value-driven growth over aggressive top-line expansion.

Industrial Hygiene

Our industrial and institutional hygiene chemicals joint venture with Calvatis GmbH, Germany, provides comprehensive cleaning and hygiene solutions to the Food, Beverage, Dairy, Institutional, and Hospitality sectors in India. The Company added new channel partners during the year to expand its customer base and strengthen its distribution network across target segments. We also introduced DAZZO! Professional – a specialized product range covering Laundry, Kitchen, and House-keeping applications for the institutional segment. These initiatives are expected to provide the necessary thrust for the company in FY 2025-26.

Research & Development

R&D and new application development has always been a priority area for our company. To this end, we have upgraded our labs and enhanced our capabilities in the sustainable solutions development area. The year saw us introduce newer solutions in the water treatment, cleaning and hygiene, and construction chemicals businesses. Our water treatment laboratory is NABL certified ensuring high reliability in water analysis and testing. We migrated to a new Laboratory Information Management platform during the year. Our R&D organization also underwent a re-alignment bringing in more thought leadership and strategic direction into the operation.

Manufacturing

Your Company has manufacturing plants in Gujarat, Tamil Nadu and Himachal Pradesh. These plants effectively cater to our customers across India and the few international locations. With capacity not being a constraint in a multi-product formulations plant, the output and capacity utilization is effortlessly elastic. All the plants continuously improve on our safety, health and environment practices, and conform to various norms and quality standards. Driven by KPI's our teams at the plant are aware of their goals and the importance of customer centricity.

Safety, Health, Environment and Quality

Chembond remains steadfast in its commitment to providing a safe and healthy work environment for its personnel. Protecting the environment and being compliant at all times to statutory requirements is non-negotiable for us. Risk and environmental impact assessments of our plants are undertaken regularly by our in-house as well as 3rd party experts throughout the year. These practices align with our goal of identifying and eliminating risks to personnel, property and the environment. We continue to maintain our certification under ISO 45001:2018 and ISO 14001:2015.

On the quality front, we understand that delivering consistently high quality and high-performance products adds value to our customers whom we strive to delight and earn their trust as a preferred supplier of solutions and services. We continue to maintain Quality Management Systems certifications as per ISO 9001:2015 & IATF 16949:2016.

During the year we also undertook the implementation of a couple of key sustainability initiatives like, setting up a containerized sewage treatment plant for the treatment and re-use of wastewater, and setting up a rooftop solar plant that awaits final regulatory clearances to come on-line shortly. We are also upgrading our water treatment plant to enhance water recovery and improve our water balance.

Financial Performance

In line with our strategic restructuring initiatives, and pursuant to the order dated April 7, 2025, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench, the Company has demerged its Water Technologies and Construction Chemicals businesses. These have now been vested in the resulting entity, Chembond Chemical Specialties Limited, in accordance with the Composite Scheme of Arrangement and applicable legal and regulatory provisions, including SEBI (LODR) Regulations.

The following discussion is based on the Audited Standalone and Consolidated financial statements of Chembond Chemicals Limited (formerly Chembond Chemical Specialties Limited) and its following subsidiaries and stepdown subsidiaries (together referred to as the Group):

Subsidiaries:

1. Chembond Water Technologies Limited
2. Chembond Distribution Limited
3. Chembond Calvatis Industrial Hygiene Systems Limited

Step-down subsidiaries:

1. Chembond Water Technologies (Malaysia) Sdn Bhd
2. Chembond Water Technologies (Thailand) Co. Ltd

Step-down Associate Company:

1. Rewasoft Solutions Private Limited

During the year under review, your Company has achieved revenue from operations of ₹6,940.04 Lakhs on a standalone basis and ₹29,227.34 Lakhs on a consolidated basis. The comparative figures are tabulated below. The highlights of the standalone and consolidated performance are as follows:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Net Sales	6,940	6,886	29,227	28,324
Product Margin	2,954	3,075	14,882	14,666
Gross Margin	2,702	2,834	13,107	13,119
Selling & Administration	429	396	2,544	2,281
Employee Cost	1,168	1,016	5,187	4,744
EBITDA	1,028	1,238	4,777	4,565
PBT	758	1,100	4,217	4,245

Ratio Analysis

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Product Margin, % of Sales	42.56	44.66	50.92	51.78
Gross Margin, % of Sales	38.93	41.16	44.85	46.32
Selling & Admin Costs, % of Sales	6.18	5.75	8.70	8.05
Employee Costs, % of Sales	16.83	14.75	17.75	16.75
% EBITDA to Sales	14.81	17.98	16.34	16.12
Net Profit Margin (%)	8.69	10.79	10.58	10.60
Return on Net Worth (%)	6.44	8.33	17.69	20.82
EPS (Basic & Diluted)	2.24	2.76	11.54	11.20
Debt/Equity ratio	-	-	-	-
Debtors Turnover	3.91	4.52	3.29	3.67
Inventory Turnover	7.95	7.92	8.06	7.88
Interest Coverage ratio	238.07	181.11	523.68	491.90
Current ratio	4.57	3.99	4.81	4.32

Standalone – Selling & Admn expenses were proportionately higher with top line growth and increase in freight expenses. Employee cost increase was due to increments and performance bonus. Interest coverage ratio improved due to lower utilisation of limits. There is no significant change (i.e. change more than compared to FY 2023-24) in other key financial ratios for FY 2024-25

Looking ahead, CCL is optimistic about its future growth prospects. The Company has identified promising opportunities for expansion and is actively pursuing strategic initiatives to capitalise on them. Its focus remains on delivering sustainable value to its shareholders while ensuring prudent financial stewardship.

Outlook on Opportunities, Threats, Risks and Concerns

India's specialty chemicals market continues to demonstrate steady growth, driven by strong domestic demand, expanding industrial applications, and rising export potential. Within the country, increased reliance by industry on the technologies offered by us, combined with a fast-growing indigenous manufacturing base throws open a plethora of opportunities for us. We are well-positioned to capitalize on this momentum on the back of our robust manufacturing infrastructure, pan-India footprint, skilled workforce, technical expertise, and strong capabilities in sales, service, and new product development.

However, the industry must navigate a complex risk landscape. Challenges include geopolitical uncertainties, fluctuating raw material prices, and stringent environmental regulations that elevate operational costs. Additional risks stem from overreliance on select markets or customers, high R&D expenditures with uncertain outcomes, potential cybersecurity threats to intellectual property, and ongoing supply chain disruptions. Furthermore, global economic volatility, increasing ESG compliance pressures, capital-intensive operations, talent shortages, and the risk of commoditization in certain product segments highlight the critical need for strategic agility, resilience, and continued innovation to maintain a competitive edge.

Risks Framework

The Board of our company is fully committed to establishing and overseeing a comprehensive risk management framework that addresses a broad spectrum of potential risks – financial, operational, regulatory, and strategic. This proactive and structured approach is integral to ensuring the Company's long-term sustainable growth and resilience.

The business operates in a dynamic environment where multiple internal and external risks may impact its smooth functioning. Such risks can affect the effectiveness of our strategic initiatives, operational efficiency, financial performance, and overall business stability.

To mitigate these risks, CCL has adopted several strategies. The Company maintains a diversified product portfolio to reduce market dependency and exposure. It complies rigorously with international regulatory standards, thereby effectively managing compliance-related risks. Investments in advanced technology and infrastructure further strengthen safety and regulatory adherence. This disciplined approach supports informed decision-making, reinforces governance practices, and helps us navigate uncertainties and challenges while pursuing its strategic objectives.

Industrial / Human Relations

The Company places the highest priority on maintaining safety standards to ensure the well-being of all personnel across its operations. Our ongoing commitment extends to attracting, nurturing, and retaining talent by providing meaningful opportunities for professional growth and development.

New joiners undergo a structured induction program designed to familiarize them with the Company's culture and operations, enabling them to quickly become valuable contributors to our growth. Our Learning & Development department conducts programs and imparts training on a host of technical, commercial and behavioural topics through the year.

Training programs focused on safe work practices and behaviour are regularly conducted to reinforce workplace safety. The Company promotes an equitable and respectful workplace where all personnel are encouraged to thrive and contribute to our shared success.

Industrial relations have remained harmonious, fostering a collaborative and supportive work environment, with no man-days lost due to industrial or employee actions.

Internal Control Systems and their Adequacy

The Company has aligned its internal control systems, including financial controls, with the requirements of the Companies Act, 2013. These controls are appropriately designed to suit the Company's size and operational complexity, providing reasonable assurance for the accuracy and reliability of financial and operational information. They also ensure compliance with applicable laws, safeguard assets against unauthorized use, enforce proper authorization of transactions, and uphold adherence to corporate policies. To support these controls, the Company employs advanced IT systems that facilitate accurate data recording, consolidation, and seamless information exchange across multiple locations.

Leveraging the sophisticated SAP S/4 HANA platform, the Company integrates automated controls within its processes to minimize deviations and exceptions, aligning with global best practices. This system offers a comprehensive audit trail that logs and monitors all data changes. Additionally, the Company has implemented a robust Internal Financial Control (IFC) framework to strengthen controls over financial reporting.

Our management adopts a proactive stance in addressing identified gaps and areas for improvement, promptly implementing corrective actions based on recommendations from both the internal auditor and the Audit Committee.

Corporate Social Responsibility (CSR)

The Chembond Children's Centre operates non-formal educational programs across 15 villages in the Tarapur / Boisar region, aiming to supplement the school curriculum with personalized attention to students. A key focus is on empowering girls by enhancing their self-esteem through skill-building activities such as martial arts, dance, painting, chess, kho kho, sewing, and other self-development courses. The Centre also organizes health care and life skills camps and workshops and supports students in securing scholarships.

The CSR obligations were applicable to Chembond Water Technologies Limited and Chembond Clean Water Technologies Limited (amalgamated with the Company on May 3, 2025). These companies spent Rs. 47.96 lakhs and Rs. 8.07 lakhs, respectively, on CSR activities during the financial year 2024–25 through Visan Trust. The Company has identified key focus areas for CSR engagement, which are detailed in the Annual Report on CSR Activities, attached as **Annexure D.**

Cautionary Statement

Statements made in the Management Discussion and Analysis regarding the Company's objectives, projections, estimates, and expectations may constitute "Forward-Looking Statements" as defined under applicable laws and regulations. Actual results may vary materially from those expressed or implied. Key factors influencing the Company's operations include, but are not limited to, economic conditions affecting demand, supply, and pricing in domestic and international markets, changes in government regulations, tax laws, and other statutory provisions, as well as various other unforeseen factors.

By Order of the Board of Director
of **Chembond Chemicals Limited**
(formerly Chembond Chemical Specialties Limited)

Nirmal Vinod Shah
Chairman and Managing Director
DIN-00083853

Navi Mumbai, June 30, 2025

REPORT ON CORPORATE GOVERNANCE

The Company was incorporated on December 12, 2023, pursuant to a Composite Scheme of Arrangement involving the demerger of an undertaking from Chembond Material Technologic (formerly Chembond Chemical Limited) Limited, as approved by the Hon'ble National Company Law Tribunal (NCLT) vide its order dated April 7, 2025.

In accordance with the Scheme of Arrangement, the Company is in the process of listing its equity shares on BSE Limited and the National Stock Exchange of India Limited. Accordingly, the provisions relating to the applicability of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") do not apply to the Company for the FY 2024-25.

However, as part of its commitment to adopting and maintaining sound corporate governance practices, the Company has voluntarily prepared and presented this report on Corporate Governance for the financial year ended March 31, 2025, in line with Regulation 34(3) of the Listing Regulations and in the prescribed format. The detailed Corporate Governance Report is presented below:

Company's Philosophy on Corporate Governance

Corporate Governance is an integral part of the Company's framework, aimed at enhancing productivity, supporting sustainable growth, and building investor confidence. The Company's philosophy on Corporate Governance is rooted in establishing a robust system of checks and balances, driven by the principles of transparency, integrity, clarity, and consistency in its interactions with stakeholders. Good governance is not limited to mere regulatory compliance; it reflects the core values, practices, and ethical standards that define the organizational culture. The Company is fully committed to adopting and upholding the highest standards of Corporate Governance and strives to implement its principles in both letter and spirit across all levels of the organization.

The Company's Governance Structure comprises of the Board of Directors and Committees of the Board, which function on the principles of prompt decision making, statutory compliance, accurate and timely disclosures, transparency and monitoring in order to create a value addition for its stakeholders.

The Company places strong emphasis on professionalism, ethical conduct, and accountability in all its business dealings and remains dedicated to maintaining a governance framework that supports sustained excellence and trust.

Board of Directors

The Company is managed under the supervision of the Board of Directors, which is responsible for formulating strategic policies, overseeing the Company's performance, and ensuring that established objectives are consistently achieved. The day-to-day operations and management of the Company are entrusted to the Managing Director and his operations team.

As of March 31, 2025, the Board comprised three Directors. Since the Company was unlisted as of that date, the requirements regarding Board composition under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable.

As on the date of this Corporate Governance Report, the Board consists of six Directors. The composition reflects a balanced mix, including one Executive Director, one Non-Executive Director, and four Independent Directors, one of whom is a Woman Director. The Board brings together professionals from diverse backgrounds, ensuring effective oversight and strategic guidance. The composition of the Board is in compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 ("the Act") and Regulation 17 of the Listing Regulations.

None of the Directors on the Board:

- hold directorships in more than ten public companies;
- serve as director or as independent directors in more than seven listed entities; and
- who are the Executive Directors serve as independent directors in more than three listed entities.
- none of the Directors on the Board is a member on more than 10 (ten) committees and chairman of more than 5 (five) committees across all the Companies in which he / she is a director.

The composition of the Board as on 31st March, 2025 and details of Board and Annual General Meetings held, the attendance of the Directors, Committee Chairmanship / Directorship :

Name of the Directors	Category	No. of Board Meetings		Attendance at last AGM	Other Companies as on 31st March 2025				Directorship in other listed entity (Category of Directorship)
		Held	Attended		Board Directorship **	Board Chairmanship **	Committee Memberships ***	Committee Chairmanships ***	
Sameer V. Shah (DIN:00105721)	PD/NED	4	4	Yes	12	-	-	-	-
Nirmal V. Shah (DIN:00083853)	PD/NED	4	4	Yes	13	-	1	1	-
Rashmi Gavli (DIN: 08001649)	NPD/NED	4	4	Yes	3	-	-	-	-

** PD – Promoter Director, NPD – Non-promoter Director, ED - Executive Director, NED - Non-executive Director, ID – Independent Director, NID – Non-independent Director*

*** Directorships in Foreign Companies and Companies under Section 8 of the Act are excluded for this purpose.*

**** Considered Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee of other Indian Public Limited Companies.*

Note : Mr. Sameer V. Shah and Mr. Nirmal V. Shah are relatives (siblings) in terms of Section 2 (77) of the Act read with Companies (Specification of Definitions Details) Rules, 2014. Apart from the above none of the Directors are in any manner related to each other.

Details of Board Meetings held during the year

Dates of Board Meeting	10-May-2024	25-July-24	19-Oct-24	17-Jan-25
Board Strength	3	3	3	3
No. of Directors Present	3	3	3	3

Skill Matrix of the Board of Directors

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Board provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are available with the Board:

List of core skills / expertise identified by the Board of Directors	Name of Directors						
	Sameer V. Shah	Nirmal V. Shah	Mahendra K. Ghelani**	Sushil U. Lakhani**	Aniruddha B. Pandit *	Anuradha S. Paraskar *	Rasmi Gavli ***
Business Strategy	✓	✓				✓	
Industry Experience	✓	✓	✓	✓	✓	✓	✓
General Management	✓	✓	✓	✓	✓	✓	✓
Accounting/Auditing				✓			✓
Corporate Finance			✓	✓			✓
Legal / Secretarial /Compliance		✓	✓	✓	✓		✓
Human Resource Management	✓	✓	✓	✓		✓	
Risk Management	✓	✓	✓		✓	✓	✓
Information Technology	✓	✓	✓	✓	✓	✓	
Marketing	✓	✓				✓	

* Dr. Aniruddha B. Pandit and Ms Anuradha Paraskar have appointed with effect from April 1, 2025

** Mr. Mahendra K. Ghelani and Mr. Sushil U. Lakhani have appointed with effect from May 6, 2025

*** Mrs Rashmi Gavli has resigned with effect from April 1, 2025.

a) Separate meeting of Independent Directors

Since the Company was unlisted during the Financial Year under review, the provisions relating to Schedule IV of the of the Companies Act 2013, a separate meeting of Independent Directors was not applicable.

b) Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations and that they are independent of the Management. A formal letter of appointment to Independent Directors as provided in the Act has been issued and disclosed on the website of the Company viz. https://www.chembondindia.com/all-policies/.

c) Familiarization Programme

Since the Company was unlisted during the Financial Year under review, the provisions relating familiarization programs for Independent Directors were not applicable

d) Code of Conduct

The Board has laid down a code of conduct for all the Members of the Board and senior management of the Company which is also posted on the Company's website at https://www.chembondindia.com/code-of-conduct. All Board Members and senior management have complied with the code of conduct for the year ended 31st March, 2025. The Annual Report contains a declaration to this effect signed by the Chairman and Managing Director.

Audit Committee

The Audit Committee operates in accordance with the provisions outlined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 177 of the Companies Act, 2013. Its responsibilities include reviewing the financial reporting process and internal control systems, discussing financial results, engaging with statutory and internal auditors, and evaluating the independence and performance of auditors as well as the effectiveness of the audit process. The Committee also assesses the adequacy of the internal audit function, oversees the whistle blower mechanism, scrutinizes inter-corporate loans and investments, and recommends the appointment and remuneration of statutory, internal, and cost auditors. Additionally, it reviews internal audit reports and significant related party transactions. To effectively discharge its duties, the Audit Committee is empowered to investigate any matter within its scope, seek information from employees, and obtain external legal or professional advice.

The provision related to the Audit Committee was not applicable during FY 2024-25 under review. The Board of Directors set up an audit Committee in their meeting held on May 6, 2025 comprise of the members below:

Sr. No.	Name of Member	Designation
1.	Mr. Sushil Lakhani	*Chairman (NED & ID)*
2.	Mr. Mahendra Ghelani	Member (NED & ID)
3.	Mr. Nirmal Shah	Member (ED)

Nomination and Remuneration Committee (NRC)

The terms of reference of this committee cover the matters specified for Nomination & Remuneration Committee under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as well as in section 178 of the Companies Act, 2013 including

- To help the Board in determining the appropriate size, diversity and composition of the Board,
- To recommend to the Board appointment/re-appointment and removal, recommend remuneration of directors and senior management,
- To frame criteria for determining qualifications, positive attributes, and independence of Directors,
- To create an evaluation framework for independent directors and the Board
- To assist in developing a succession plan for the Board and senior management;
- to assist the Board in fulfilling responsibilities entrusted from time-to-time;

The provision related to the Nomination and remuneration Committee was not applicable during FY 2024-25 under review.

The Board of Directors set up a Nomination & Remuneration Committee in their meeting held on May 6, 2025 comprise of the members below:

Sr. No.	Name of Member	Designation
1.	Mr. Mahendra Ghelani	*Chairman (NED & ID)*
2.	Mr. Sushil Lakhani	Member *(NED & ID)*
3.	Dr. Aniruddha Pandit	Member *(NED & ID)*

Performance Evaluation criteria for Independent Directors

The performance evaluation criteria for Independent Directors are determined by NRC. The criteria for performance evaluation includes the areas relevant to the functioning of Independent Directors such as participation, conduct and effectiveness. The provision related to the performance evaluation of Independent Directors was not applicable during FY 2024-25 under review.

Policy for selection and appointment of Directors and their remuneration:

NRC adopted a policy which deals with the manner of determining qualifications, positive attributes and independence of a director and remuneration for the directors, key managerial personnel, and other employees. The said policy is placed on the website of the Company. The summarized features of the policy are as follows:

I. Appointment criteria and qualifications:

- The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The NRC has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The provisions of the Act and the Listing Regulations should be adhered to while considering the appointment of a Director or KMP or Senior Management Personnel.

II. Independent Director (ID):

- Appointment of IDs shall be in accordance with the provisions of the Act and as per the Listing Regulations.
- NRC to check whether a person to be nominated or appointed as an ID meets the criterion of independence as prescribed under Section 149(6) of the Act and under Regulation 25 of the Listing Regulations.
- While nominating any person to be appointed as an ID, the Committee should satisfy itself that the person gives a declaration as prescribed under the Act declaring that he/she meets the criterion of independence prescribed under the Act and the Listing Regulations.

III. Remuneration of Director - Policy relating to remuneration for Directors, KMPs and other employees:

Remuneration Process:

- The NRC considers and determines the Remuneration Policy, based on the performance and ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate members of the Board / Management.
- NRC ensures that remuneration is based on performance benchmarks.
- NRC also ensures that the remuneration to Directors, KMPs, and Senior Management Personnel of the Company involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Executive Directors:

Remuneration to Executive Directors are governed as per the provisions of the Act, and the Rules made thereunder and the approvals obtained from the Members of the Company. Remuneration to Chairman and Managing Director is in accordance with the agreement entered with them.

Non-executive Directors:

- Criteria for making payments to Non-executive Directors is disseminated on the website of the Company at https://www.chembondindia.com/all-policies/
- Sitting fee, reimbursement of expenses and profit related commission:

  A Director is eligible to receive remuneration by way of sitting fees Rs. 50000 per meeting for attending meetings of Board and Rs. 25,000 per Committee meeting thereof as per Section 197(5) of the Act. Independent Director shall be eligible for reimbursement of expenses, if any, for participation in the Board and other meetings and profit-related commission as may be approved.
- Stock Options: Independent Directors are not entitled to any stock option of the Company.

Stakeholders' Relationship Committee

The Committee deals with matters relating to transfer / transmission of Shares, issue of duplicate share certificates, review of shares dematerialized and matters relating to transfer of shares to IEPF account of the Government. Mrs. Suchita H. Singh, Company Secretary & Compliance Officer is responsible for coordinating all such matters and those relating to share transfer and shareholders grievances with the Registrar and Transfer Agent. The Company has designated an e-mail id cs@chembondindia.com exclusively for the purpose of registering complaints by investors electronically. This e-mail id is displayed on the Company's website i.e., https://www.chembondindia.com/investor-grievance/ The provision related to the SRC was not applicable during FY 2024-25 under review

The Board of Directors set up a Stakeholders Relationship Committee in their meeting held on May 6, 2025 comprise of the members below:

Sr. No.	Name of Member	Designation
1.	Mrs. Anuradha Paraskar	Chairperson *(NED & ID)*
2.	Prof. Aniruddha Pandit	Member *(NED & ID)*
3.	Mr. Nirmal Shah	Member (ED)

Risk Management Committee (Non-Mandatory)

The Committee deals with matters relating to identification and assessment of material business risk, technological risk, strategic business risk, operational risk, financial risk, human resource risk and legal & regulatory risk. The provision related to the Risk Management Committee was not applicable during FY 2024-25 under review.

The Board of Directors set up a Risk Management Committee, voluntarily under the applicable regulations, in their meeting held on May 6, 2025 comprise of the members below:

Sr. No.	Name of Member	Designation
1.	Mr. Sushil Lakhani	Chairman *(NED & ID)*
2.	Mr. Mahendra Ghelani	Member *(NED & ID)*
3.	Mr. Nirmal Shah	Member (ED)

Whistle Blower Policy

The Company has adopted Whistle Blower Policy as part of Vigil Mechanism and is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Vigil Mechanism & Whistle Blower Policy encourages its employees to bring to the attention of the management any concerns about suspected misconduct and express these concerns without fear of punishment or unfair treatment. It provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policies. The Audit Committee of the Company oversees the vigil mechanism / whistle blower policy. The policy on vigil mechanism & whistle blower policy can be accessed on the Company's website https://www.chembondindia.com/all-policies/

Subsidiary, Step Down Subsidiary and Associate Companies

The Company has three subsidiaries, two step down subsidiaries and one step down associate Company namely:

Subsidiaries: Chembond Calvatis Industrial Hygiene Systems Limited, Chembond Distribution Limited and Chembond Water Technologies Limited

Step-down subsidiaries: Chembond Water Technologies (Malaysia) Sdn Bhd and Chembond Water Technologies (Thailand) Co. Ltd

Step-down Associate Company: Rewasoft Solutions Private Limited

Chembond Clean Water Technologies Limited amalgamated with Chembond Chemicals Limited (formerly Chembond Chemical Specialties Limited) with effect from April 1, 2024 [appointed date] and May 3, 2025 [effective date] as per composite scheme of arrangement and NCLT order dated April 7, 2025.

Mr. Mahendra Ghelani and Mr. Sushil Lakhani, Independent Director of CCL are on the Board of material subsidiaries of the Company, Chembond Water Technologies Limited. The Audit Committee of the Company reviews the financial statements of the subsidiaries. The Minutes of the Board meetings of subsidiaries are placed at the Board Meetings of your Company.

General Body Meetings

YEAR	AGM / EGM	LOCATION	DATE	SPECIAL RESOLUTION(S) PASSED
2024	1st AGM	EL-37, Chembond Centre, MIDC, Mahape, Navi Mumbai, Thane, 400710	20 July 2024 at 1.30 PM	All matters at the concerned AGM were addressed through ordinary resolutions; no special resolution was necessitated

During the financial year 2024–25 under review, the Company did not pass any resolutions through postal ballot. Further, no Extraordinary General Meetings (EGMs) were held during the FY 2024-25. Two EGMs convened on April 5, 2025, and May 6, 2025, to address specific business matters.

Disclosures regarding re-appointment /appointment of Directors:

Mr. Sameer V. Shah is a member of the promoter family of the Chembond Group of Companies and has held several managerial positions within the Company, as well as its Joint Ventures and subsidiaries. He holds a degree in Chemical Engineering. Mr. Sameer V. Shah has been serving as the Chairman and Managing Director of Chembond Material Technologies Limited (Formerly Known as CCL). Under his leadership, Chembond focused on expanding its core businesses, including material technologies, industrial coatings and bio-based polyamides. With over 30 years of experience in the chemical and financial sectors, he has been instrumental in steering the company towards growth and innovation. He , holds directorship positions in Chembond Material Technologies Ltd (Formerly Known as CCL), Chembond Biosciences Ltd, CCL Optoelectronics Pvt Ltd, Visan Holdings Pvt Ltd, and S&N Ventures Pvt Ltd. He had served as a Director on the boards of Henkel Surface Technologies Pvt Ltd, Gramos Chemicals India Pvt Ltd, Phiroze Sethna Pvt Ltd, Chembond Material Technologies Pvt Ltd, Chembond Clean Water Technologies Ltd, Arraycom (India) Ltd, Oriano Clean Energy Pvt Ltd, and Lauren Engineers & Constructors Pvt Ltd.

General Shareholders Information

The Company was incorporated on December 12, 2023. Pursuant to the Scheme of Arrangement between Chembond Material Technologies Limited (Formerly Chembond Chemicals Limited) (Demerged Company) and Chembond Chemicals Limited (Formerly Chembond Chemical Specialties Limited) (Resulting Company), and in accordance with the order of the Hon'ble National Company Law Tribunal (NCLT) dated April 7, 2025, the Construction Chemicals and Water Treatment Chemicals businesses have been transferred to Chembond Chemicals Limited (formerly Chembond Chemical Specialties Limited), with effect from April 1, 2024 (Appointed Date) and May 3, 2025 (Effective Date).

In line with the approved Scheme, Chembond Chemicals Limited (formerly Chembond Chemical Specialties Limited) has allotted equity shares on May 13, 2025, to the shareholders of Chembond Material Technologies Limited (Formerly Chembond Chemicals Limited) (Demerged Company), whose names appeared in the register of members as on the record date, i.e., May 9, 2025. The Company has applied for the listing of its equity shares with BSE Limited and the National Stock Exchange of India Limited. As on the date of this report, the application is under review with the Listing Departments of the respective stock exchanges.

The Company is committed to ensuring timely compliance with all applicable provisions of the Listing Regulations, including the submission and publication of quarterly financial results and the maintenance of requisite disclosures on its website.

a.	Corporate Identification Number (CIN)	U20116MH2023PLC415282	
b.	Date, Time & Venue of Annual General Meeting (AGM).	Thursday, August 14, 2025 at 11.30 am through VC / OAVM mode	
c.	Financial Year	1^{st} April, 2024 to 31^{st} March, 2025	
d.	Financial Calendar for 2025-2026 (tentative & subject to change)	Financial Reporting for the quarter ending 30.06.2025 on or before 14^{th} August, 2025 30.09.2025 on or before 14^{th} November, 2025 31.12.2025 on or before 14^{th} February, 2026 31.03.2026 on or before 30^{th} May, 2026	
e.	Dividend Payment date	Final dividend, if declared shall be paid / credited on or after August 14, 2025	
f.	Listing on Stock Exchange	BSE Limited & National Stock Exchange of India Limited (Under process as per composite scheme of arrangement)	
	Stock Exchange Address	BSE Limited P.J. Towers, Dalal Street, Fort, Mumbai – 400 001	National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Mumbai - 400051
	ISIN	INE0TGX01019	
	Listing Fee Payment Confirmation	Not Applicable for FY 2024-25	
g.	Market Price data- Not Applicable for FY 2024-25		
h.	Share performance in comparison to broad-based indices (BSE Sensex and Nifty) - Not Applicable for FY 2024-25		
i.	Registrar and Share Transfer Agent: MUFG Intime India Private Limited (*Formerly known as Linkin Intime India Private Limited*) C-101, 1^{st} Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400 083. E-mail : madhuri.narang@in.mpms.mufg.com. Web : https://web.in.mpms.mufg.com		

j.	Share Transfer System Registrar and Transfer Agent carry out share transfer activities. Share transfers are processed and the share certificates duly endorsed are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respect. The Company obtains from a Practicing Company Secretary a yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the compliance certificate with the Stock Exchanges where the shares of the Company are listed. As mandated by SEBI, shares of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation
k.	Distribution of shareholding as on 31st March, 2025: Chembond Material Technologies Limited (formerly known as Chembond Chemicals Limited) held 100% shares through its 6 nominees.
l.	Distribution of Shares by categories of shareholders as on 31st March, 2025: Refer Point K
m.	Dematerialization of shares and liquidity: 10,000 equity shares are held in Demat form i.e 100% of the total share capital as on 31 March 2025.
n.	Global Depository receipts or American Depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable
o.	Commodity price risk or foreign exchange risk and hedging activities: Not Applicable
p.	Plant Locations: 1) Khasra177/2, Village Theda, Himachal Pradesh. 2) Survey No. 404/B-01, Dudhwada, Dist. Vadodara, Gujarat. 3) S-50, Phase III, SIPCOT, Ranipet, Tamilnadu.
q.	Credit Rating: Not Applicable for FY 2024-25
r.	Address of Correspondence Chembond Chemicals Limited Chembond Centre, EL-37, MIDC, Mahape, Navi Mumbai 400 710. Tel: 022 6575 3000 Fax: 022 2768 1294 website: www.chembondindia.com, Email for Investor Grievance: cs@chembondindia.com
s.	CEO and CFO Certification: The Director and Chief Financial Officer of the Company have given annual certification dated May 17, 2025 on financial reporting and internal controls to the Board in terms of Regulation No. 17 (8) read with Part B of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.
t.	Certificate of Compliance with the Code of Conduct for Board of Directors and Senior Management Personnel: To The Members of Chembond Chemicals Limited (*formerly Chembond Chemical Specialties Limited*) I, Nirmal Shah, Director of the Company, hereby affirm that all the Board Members and senior management personnel of the Company have affirmed their compliance with the code of business conduct & ethics in accordance with Regulation No. 17 (5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, for the year ended March 31, 2025 Nirmal Shah Navi Mumbai, Dated May 17, 2025 Director
u.	Disclosures on materially significant related party transactions of the Company that may have potential conflict with the interests of the Company at large The Audit Committee of the Company has granted omnibus approval to the related party transactions and the Company does not have related party transactions which have or may have potential conflict with the interest of entity at large. The Company has a Related Party Transaction Policy in place, which has been posted on the website of the Company at https://www.chembondindia.com/all-policies/. The necessary disclosures regarding the transactions with Related Parties are given in the notes to the Accounts. None of these transactions have potential conflict with the interest of the Company at large

v.	Non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange, or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: There was no such instance since incorporation that is December 12, 2023
w.	Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause. As the company is unlisted, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - both mandatory and non-mandatory - are not applicable for the year ended 31st March, 2025. Further the Company has complied with all mandatory requirements as part of listing procedure as on date of corporate governance report
x.	Web link where policies for determining 'material subsidiaries and (ii) dealing with related party transactions are disclosed: https://www.chembondindia.com/all-policies/
y.	Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: Chembond Water Technologies Limited is material subsidiary of the Company. It is incorporated on December 12, 1984 and place of incorporation is Madras (Chennai) Tamilnadu. SHBA & Company LLP (Formerly Bathiya & Associate LLP) is appointed as statutory Auditor of the Company on 16 January 2021 *Note: Pursuant to the Scheme of Arrangement between* Chembond Material Technologies Limited *(formerly known as Chembond Chemicals Limited) and* Chembond Chemicals Limited *(Formerly Chembond Chemical Specialties Limited), and in accordance with the order of the Hon'ble National Company Law Tribunal (NCLT) dated April 7, 2025, the investment in Chembond Water Technologies Limited has been transferred from Chembond Chemicals Limited to Chembond Chemicals Limited (formerly Chembond Chemical Specialties Limited), with effect from the appointed date of the scheme, i.e., April 1, 2024.*
z.	Disclosure by listed entity and its subsidiaries of Loans and Advances in nature of loans to firms / companies in which directors are interested by name and amount. *Neither the Company nor any of the subsidiaries have given loan to any firms / companies in which Directors are interested.*
aa.	Unpaid / Unclaimed Dividend/ Shares transfer to IEPF Since the company was incorporated on December 12, 2023, and no dividends have been declared to date, there is no amount that needs to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the Composite Scheme of Arrangement, the Company has allotted 85,528 equity shares to the shareholders of Chembond Material Technologies Limited (formerly known as Chembond Chemicals Limited), whose shares were transferred to the Investor Education and Protection Fund (IEPF). Details of the transferred shares are available on the Company's website at www.chembondindia.com.
bb.	Equity Shares in Suspense Account In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has opened a demat account titled 'Chembond Chemical Specialities Limited – Unclaimed Suspense Escrow Account' at NSDL, to which the unclaimed shares have been transferred. On 27 May 2025, 2,48,528 equity shares were transferred to the aforesaid account, pursuant to the allotment made under the Composite Scheme of Arrangement, in respect of shareholders holding shares in physical form who did not claim their entitlements. The Company, acting as a trustee for these unclaimed shares, operates the said account in compliance with the modalities prescribed under Regulation 39(4) of the SEBI Listing Regulations. The shares lying in this account will be transferred to the rightful shareholders upon receipt of a valid claim and completion of necessary verification. Until such transfer, the voting rights on these shares shall remain frozen in accordance with the applicable regulations. The detailed of such shares is available on website of the Company https://www.chembondindia.com/unclaimed-dividend/

The above Report was adopted by the Board of Directors at their Meeting held on May 30, 2025.

By Order of the Board of Director
of **Chembond Chemicals Limited**
(formerly Chembond Chemical Specialties Limited)

Nirmal Vinod Shah
Chairman & Managing Director
DIN-00083853

Navi Mumbai, June 30, 2025

CERTIFICATE OF CORPORATE GOVERNANCE

To,

The Members of **Chembond Chemical Specialties Limited**

I have examined the compliance of Corporate Governance by Chembond Chemical Specialties Limited ('the Company') for the year ended 31st March, 2025, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the year ended 31st March, 2025.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Management, I am of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

I further state that such compliance is neither an assurance to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Virendra G. Bhatt
Practicing Company Secretary
ACS No.: 1157 / COP No.: 124
Peer Review Cert. No.: 6489/2025
UDIN: A001157G000688021

Date: May 30, 2025
Place: Mumbai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
Chembond Chemical Specialties Limited
EL-37, Chembond Centre,
MIDC, Mahape, Navi Mumbai,
Thane, Maharashtra, India, 400710

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Chembond Chemical Specialties Limited** (hereinafter referred to as "the Company"), having CIN: U20116MH2023PLC415282 and having Registered Office at EL-37, Chembond Centre, MIDC, Mahape, Navi Mumbai, Thane, Maharashtra, India, 400710 produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2025 have been disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Sr. No.	Name of the Director	DIN	Original Date of Appointment	Date of Appointment at current Designation
1.	Nirmal V. Shah	00083853	12/12/2023	12/12/2023
2.	Sameer V. Shah	00105721	12/12/2023	12/12/2023
3.	Rashmi S. Gavli	08001649	12/12/2023	12/12/2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Virendra G. Bhatt
Practicing Company Secretary
ACS No.: 1157 / COP No.: 124
Peer Review Cert. No.: 6489/2025
UDIN: A001157G000687361

Date: May 30, 2025
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

Chembond Chemical Specialties Limited

Report on the Audit of the Standalone Financial Statements:

Opinion

We have audited the Standalone financial statements of Chembond Chemical Specialties Limited ("the Company"), which comprise the standalone Balance Sheet as at 31st March 2025, the standalone statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity, the standalone statement of cash flows for the year then ended and notes to the Standalone financial statements, including a summary of material 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 Standalone 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 as amended and other accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2025, 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 Standalone 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 Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 50 & 51 to the Standalone Financial Statement, regarding the Composite Scheme of Arrangement for amalgamation and demerger (the «Scheme») whereby Chembond Clean Water Technologies Limited (CCWTL) is amalgamated with the Company and "Construction Chemicals and Water Technologies Chemicals" business of Chembond Material Technologies Limited (CMTL) (formerly known as Chembond Chemicals Limited) was demerged from the CMTL and merged into the Company as on the appointed date of 1st April, 2024. The Hon›ble National Company Law Tribunal (the NCLT) has approved the Scheme vide its Order dated 7th April 2025 and the said Order was filed with the Ministry of Corporate Affairs (MCA) by the Company and other companies involved in the Scheme on various dates as reported in Note 51 to the Standalone Financial Statement.

In accordance with the Scheme approved by the NCLT, the Company has given effect to the scheme from the appointed date specified therein i.e. 1st April 2024, and accordingly, as required under IND AS - 103 the comparative financial information of the Company forming part of the Statement for the year beginning from 1st April, 2023 has been restated.

Our report is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
Composite Scheme of Arrangement: **Accounting for the effects of the composite scheme of arrangement in respect of merger & subsequent demerger:** (Refer to Note 50 and Note 51 in the Standalone financial statements) The company has entered into a Composite Scheme of Arrangement ("the scheme") for merger of Chembond Clean Water Technologies Limited (CCWTL) with the company and subsequent	a) Obtained and reviewed the Composite Scheme of Arrangement and documents filed by the Company with the Registrar of Companies, including the Order of the Hon'ble NCLT, Mumbai Bench, approving the Composite Scheme of Arrangement. b) Read and obtained an understanding of the Composite Scheme of Arrangement approved by the National Company Law Tribunal. c) Tested the management prepared workings relating to the merger and demerger, including the restatement of comparative figures for the previous year, in accordance with the pooling of interest method as prescribed under Appendix C of Ind AS 103.

demerger of Water Treatment & Construction Chemicals undertaking of the Chemond Material Technologies Limited (CMTL) erstwhile Chembond Chemicals Limited and transferred into the company. The Scheme has been approved by the National Company Law Tribunal Mumbai Bench (‹NCLT) vide order dated 7th April 2025. This is a key audit matter as the scheme has a pervasive impact on the Standalone financial statements of the company. The Company has accounted for merger and demerger in its books as per the Composite Scheme of arrangement as approved by the NCLT.	d) Obtained and reviewed the report issued by merchant banker opining on the fair share entitlement ratio. e) Verified the workings for the transfer of assets and liabilities pertaining to the demerged undertakings, ensuring consistency with the approved Scheme, applicable accounting standards and Standalone financial statements of CMTL. f) Evaluated the accounting treatment adopted by the Company in respect of the Scheme for compliance with the requirements of Ind AS 103 and other relevant Indian Accounting Standards. g) Assessed the adequacy and appropriateness of disclosures made in the Standalone financial statements to ensure compliance with applicable presentation and disclosure requirements. h) Evaluated the design and tested the operating effectiveness of the controls over the accounting for business combination.

Information Other than the Standalone financial statements and Auditor's Report Thereon

Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders Information but does not include the standalone financial statements, consolidated Standalone financial statements and our auditor's reports thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of management and Those Charged with Governance for the Standalone financial statements

The accompanying Standalone 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 Standalone 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 Indian Accounting Standards and other principles generally accepted in India.

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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the Standalone 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 standalone 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 standalone 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 Standalone 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 standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the standalone financial statements of the company to express an opinion on the standalone financial statements.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 standalone 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 Standalone 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 Standalone financial statements have been kept by the Company so far as it appears from our examination of those books except for the matters stated in 3(vi) below.
   c. The standalone Balance Sheet, the standalone statement of Profit and Loss (including Other Comprehensive Income), the standalone statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these standalone financial statements;
   d. In our opinion, the aforesaid Standalone 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 31st March, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025, from being appointed as a director in terms of Section 164 (2) of the Act;

f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in paragraph 2(b) above on reporting under section 143(3)(b) of the Act and paragraph 3(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

g. 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief as disclosed in note no. 43(c), 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. 43(d), 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 dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. Based on our examination which included test checks, the Company has used accounting software, a payroll application and employee reimbursement for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software / application. However, audit trail feature is not enabled at the database level for accounting software to log any direct data changes as described in note no. 48 to the financial statements. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved in accordance with the requirements of section 128(5) of the Companies Act, 2013 for record retention.

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 paid and / or provided remuneration to its directors during the year ended 31st March, 2025 in accordance with the provisions of Section 197 of the Act.

For **S H B A & CO LLP**
(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
Firm Registration No. 101046W / W100063

Jatin A. Thakkar
Partner
Membership No.: 134767
UDIN: 25134767BMJEVG6953

Place: Mumbai
Date: 30th May 2025

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31st March, 2025)

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) Pursuant to the Composite Scheme of Arrangement between the Company, other companies involved in the Scheme as mentioned above and their respective shareholders and creditors, Property, Plant and Equipment having net block of Rs. 1,673.97 Lakhs and Intangible Assets having net block of Rs. 38.86 Lakhs were transferred to the Company with effect from the appointed date of 1st April, 2024.

(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) Pursuant to the composite scheme of arrangement, the Company is in the process of transferring the title deeds and lease agreements of the immovable properties in the name of 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) Pursuant to the Composite scheme of arrangement between the Company, other companies involved in the Scheme as mentioned above and their respective shareholders and creditors, Inventories of Rs. 481.24 Lakhs were transferred to the Company with effect from the appointed date of 1st April, 2024.

(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 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) 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 any other 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 the information and explanations given to us, undisputed statutory dues including provident fund, employees' state insurance, income tax, professional 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 31st March, 2025 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	0.01	FY 2023-24	Assistant Commissioner of Income Tax (CPC TDS)

(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 taken any loan , hence the disclosure of default in repayment of its loans or borrowings or in the payment of interest thereon to any lender is not applicable.

(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 Standalone 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 Standalone 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 Section 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone 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. The Company is not required to form an audit committee; hence the provisions of Section 177 of the Act are not applicable.

(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 (2 of 1934) Accordingly, clause 3(xvi)(a) of the Order is not applicable

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities as per 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under subsection (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(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 **S H B A & CO LLP**
(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
Firm Registration No. 101046W / W100063

Jatin A. Thakkar
Partner
Membership No.: 134767

Place: Mumbai
Date: 30th May 2025

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31st March 2025)

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 Chemical Specialties Limited ("the Company") as of 31st March, 2025 in conjunction with our audit of the Standalone 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 standalone 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 Standalone 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 Standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025 , 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 **S H B A & CO LLP**
(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
Firm Registration No. 101046W / W100063

Jatin A. Thakkar
Partner
Membership No.: 134767

Place: Mumbai
Date: 30th May 2025

Standalone Balance Sheet as at 31st March, 2025

(₹ in lakhs except otherwise stated)

Particulars	Notes	As at 31/03/2025	As at 31/03/2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2(i)	1,456.15	1,673.97
(b) Capital work-in-progress	2(ii)	30.27	17.05
(c) Other Intangible Assets	2(iii)	24.11	38.86
(d) Financial Assets			
i) Investments	3	5,012.66	5,012.66
ii) Other financial assets	4	8.93	4.83
(e) Income tax asset (net)	5	-	47.65
(f) Other non-current assets	6	0.50	0.31
Total Non-current assets		**6,532.62**	**6,795.33**
Current Assets			
(a) Inventories	7	521.01	481.24
(b) Financial Assets			
i) Investments	8	1,195.58	1,064.33
ii) Trade receivables	9	2,022.06	1,524.67
iii) Cash and cash equivalents	10	137.19	89.07
iv) Bank balances other than (iii) above	11	5.29	8.87
v) Loans	12	0.52	0.77
vi) Other financial assets	13	48.15	46.42
(c) Other current assets	14	39.21	55.70
Total current assets		**3,969.00**	**3,271.08**
Total Assets	**Total**	**10,501.62**	**10,066.41**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	-	-
(b) Equity shares pending allotment (Upon Demerger)	15	1,344.83	1,344.83
(c) Other equity	16	8,019.38	7,570.33
Total Equity		**9,364.21**	**8,915.16**
Liabilities			
Non-Current Liabilities			
(a) Long Term Provisions	17	22.26	15.30
(b) Deferred tax liabilities (net)	18	180.54	252.43
(c) Other non-current liabilities	19	65.79	62.91
Total Non-current liabilities		**268.59**	**330.65**
Current liabilities			
(a) Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	90.40	18.87
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	452.22	599.87
(b) Other current liabilities	21	214.50	195.19
(c) Provisions	22	7.91	6.66
(d) Current Tax Liabilites (Net)	23	103.79	-
Total current liabilities		**868.82**	**820.60**
Total Equity & Liabilities	**Total**	**10,501.62**	**10,066.41**
Material Accounting Policies, key accounting estimates and judgements and notes on financial statments.	1-52		

As per our attached report of even date
For S H B A & CO LLP
(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
FRN - 101046W/W100063

Jatin A. Thakkar
Partner
Membership No. : 134767

Mumbai, 30th May 2025

On behalf of the Board of Directors

Nirmal V. Shah
Director
DIN: 00083853

Sameer V. Shah
Director
DIN: 00105721

Prachi Mahadik
Chief Financial Officer

Kiran Mukadam
Company Secretary

Mumbai, 30th May 2025

Standalone Statement of Profit and Loss for the year ended 31st March, 2025

(₹ in lakhs except otherwise stated)

	Particulars	Notes	2024-2025	2023-2024
	Revenue From Operations	24	6,940.04	6,886.05
	Other Income	25	381.08	376.54
	Total Revenue		**7,321.12**	**7,262.59**
	Expenses :			
	Cost of Materials Consumed	26	3,102.02	2,884.02
	Purchases of Stock-in-trade	27	945.63	914.48
	Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	28	(61.29)	12.53
	Employee Benefits Expense	29	1,168.20	1,016.10
	Finance Costs	30	10.59	10.10
	Depreciation and Amortisation expense	31	259.16	127.32
	Other Expenses	32	1,138.43	1,197.92
	Total Expenses		**6,562.74**	**6,162.46**
	Profit before Exceptional items and Tax		**758.39**	**1,100.13**
	Exceptional Items		-	-
	Profit before Tax		**758.39**	**1,100.13**
	Tax Expense			
	Current Tax		225.88	71.64
	Deferred Tax		(70.35)	285.46
	Total Tax Expense		155.52	357.10
	Profit for the Year		**602.86**	**743.02**
	Other Comprehenshive Income			
1	i) Items that will not be reclassified to profit or loss		(5.10)	1.68
	ii) Income Tax relating to items that will not be reclassified to profit or loss		1.28	(0.47)
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		**(3.82)**	**1.21**
	Total Comprehensive Income		**599.05**	**744.24**
	Earning Per Equity Share of Face Value of Rs. 5 each	33		
	Basic (in ₹)		2.24	2.76
	Diluted (in ₹)		2.24	2.76
	Material Accounting Policies, key accounting estimates and judgements and notes on financial statments.	1-52		

As per our attached report of even date

For S H B A & CO LLP
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FRN - 101046W/W100063

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Company Secretary

Mumbai, 30th May 2025

Standalone Statement of Changes in Equity for the year ended 31st March 2025

(₹ in lakhs except otherwise stated)

(a) Equity share capital

	No. of Shares	(₹ In lakhs)
Balance as at 31 March 2023	-	-
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 (pending allotment) during the current year :	2,68,96,576	1,344.83
Balance as at 31 March 2024	**2,68,96,576**	**1,344.83**
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 (pending allotment) during the current year	-	-
Balance as at 31 March 2025	**2,68,96,576**	**1,344.83**

(b) Other Equity

Particulars	Reserves and Surplus		Items of other Comprehensive Income	Total other equity
	Capital Reserves	Retained earnings	Remeasurements of the net defined benefit Plans	
Balance as at 31st March 2023	-	-	-	-
Profit for the year		743.02		743.02
Add: Pursuant to the Composite Scheme of Arrangement (refer note- 50 & 51)	827.81	6,160.48	(13.18)	6,975.10
Other comprehensive income for the year			1.21	1.21
Total comprehensive income for the year	**827.81**	**6,903.50**	**(11.97)**	**7,719.34**
Dividend Paid		(149.01)		(149.01)
Balance as at 31st March 2024	**827.81**	**6,754.50**	**(11.97)**	**7,570.33**
Profit for the year		602.86		602.86
Other comprehensive income for the year			(3.82)	(3.82)
Total comprehensive income for the year		**602.86**	**(3.82)**	**599.05**
Dividend Paid		(150.00)		(150.00)
	827.81	**7,207.36**	**(15.79)**	**8,019.38**

As per our attached report of even date

For S H B A & CO LLP
(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
FRN - 101046W/W100063

Jatin A. Thakkar
Partner
Membership No. : 134767

Mumbai, 30th May 2025

On behalf of the Board of Directors

Nirmal V. Shah
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DIN: 00083853

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Kiran Mukadam
Company Secretary

Mumbai, 30th May 2025

Standalone Cash Flow Statement for the year ended 31st March 2025

(₹ in lakhs except otherwise stated)

	Particulars	2024-25		2023-24	
A	**Cash Flow from Operating Activities**				
	Profit before tax		758.39		1,100.13
	Adjustments for :				
	Depreciation and amortisation	259.16		127.32	
	Finance Cost	10.59		10.10	
	Foreign Exchange Fluctuation Loss	6.41	276.15	0.79	138.22
	Less :				
	Foreign Exchange Fluctuation Gain	-			
	Net Gain on sale of Investments	25.60		9.10	
	Fair valuation of Investments (Net)	65.67		67.88	
	Interest from fixed deposits, Refunds and loans at effective interest rate	3.46		1.03	
	Gain from sale of property plant & equipment	13.28		-	
	Dividend Received	200.00		301.21	
			(308.00)		(379.22)
	Operating Profit before working capital changes		726.54		859.12
	Adjustments for :				
	Trade and Other Receivables	(441.83)		(1,642.37)	
	Inventories	(39.76)		(481.24)	
	Trade and Other Payables	(45.74)		898.81	
			(527.33)		(1,224.80)
	Cash generated from / (used in) operations		199.18		(365.67)
	Income taxes paid (Net of Refund)		(122.09)		(119.29)
	Net Cash from Operating Activities (A)		**77.10**		**(484.96)**
B	**Cash Flow from Investing Activities**				
	Payment to acquire Property, plant & equipments		(47.30)		(1,857.20)
	Proceeeds from Sale of Property, plant & equipments		15.43		-
	Purchase of Investments		(190.00)		(418.42)
	Sale of Investments		150.00		218.42
	Dividend Income		200.00		301.21
	Interest from fixed depsoits and loans at effective interest rate		3.46		1.03
	Merger and demerger effect pursuant to scheme of arrangement		-		905.20
	Net Cash generated from / (used in) Investing Activities (B)		**131.60**		**(849.76)**

C	**Cash Flow from Financing Activites**		
	Dividend paid	(150.00)	-
	Finance Cost	(10.59)	(10.10)
	Demerger effect	-	1,344.83
	Net Cash from Financing Activities (C)	**(160.59)**	**1,334.73**
	Net (Decrease)/Increase in Cash & Cash Activities (A+B+C)	48.10	-
	Cash and Cash Equivalents as on Opening	89.07	0.47
	Cash and Cash Equivalents received purcuant to the Composit Scheme of Merger	-	88.60
	Cash and Cash Equivalents as on Closing	**137.19**	**89.07**

Components of Cash and Bank balance:

Particulars	For the Year ended 31 March 2025	For the Year ended 31 March 2024
1) Cash & Cash Equivalents:		
Cash on hand	0.01	0.04
Balances with banks:		
- in current accounts	137.17	89.03
Total	**137.19**	**89.07**

2) The above cashflow statement has been prepared under the indirect method as set out in the IND-AS 7, “Cash Flow Statements”.

As per our attached report of even date
For S H B A & CO LLP
(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
FRN - 101046W/W100063

Jatin A. Thakkar
Partner
Membership No. : 134767

Mumbai, 30th May 2025

On behalf of the Board of Directors

Nirmal V. Shah
Director
DIN: 00083853

Sameer V. Shah
Director
DIN: 00105721

Prachi Mahadik
Chief Financial Officer

Kiran Mukadam
Company Secretary

Mumbai, 30th May 2025

Notes to the Standalone Financial Statements For the year ended March 31, 2025

COMPANY INFORMATION:

Chembond Chemical Specialties Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Registered office of the Company is situated at Chembond Centre, EL-37, MIDC Mahape, Navi Mumbai -400710, Maharashtra.

The Company is engaged in manufacturing of Speciality Chemicals.

1. Basis of Preparation, Material Accounting Policies, Key Accounting estimates and Judgements and Recent Accounting Pronouncements

1.1 Basis of preparation of financial statements and presentation

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

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

The standalone financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated.

1.2 Summary of Material accounting policies

a) Property, Plant and Equipment:

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

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

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

An item of PPE and any significant part initially recognised is derecognized 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.

b) 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.

c) Capital Work in Progress & Capital Advances:

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) Depreciation and Amortization:

Depreciation on PPE (other than free hold and lease hold land) has been provided based on useful life of the assets in accordance with Schedule II of the Companies Act, 2013, on Written Down Value Method. Freehold land is not depreciated. Leasehold land and leasehold improvements are amortized over the primary period of lease. Depreciation methods, useful lives and residual value are reviewed at each reporting date and adjusted prospectively, if appropriate.

e) Revenue Recognition:

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

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

i. Revenue from 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 rebates and Goods and service tax (GST).

ii. Revenue from services is recognised pro-rata as and when services are rendered over a specified period of time. The company collects goods and service tax on behalf of the government and therefore it is not an economic benefit flowing to the company. Hence it is excluded from the revenue.Interest income is recognised using effective interest method on time proportion basis taking in to account the amount outstanding.

iii. Dividend income from investment is recognised when the Company's right to receive is established by the reporting date, which is generally when shareholders approve the dividend.

f) Lease:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

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. Leases 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 finance costs in the statement of profit and loss, 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.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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 straight-line 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.

g) 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.

Determination 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.

h) Impairment of assets:

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if event or changes are indicative in circumstances indicate that they might be impaired. Assets that have a definite useful life are tested for impairment whenever events or changes in circumstances that indicate that the carrying amount may not be recoverable. Management periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired. An Impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

i) Financial Instruments:

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

1. **Financial assets**

Classification

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

Initial recognition and measurement

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

Debt instruments

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss.

- Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments in subsidiaries, associates and joint venture

- Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Equity instruments

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

De-recognition

A financial asset derecognized only when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transaction that are within the scope of IND AS 18.- The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

2. Financial liabilities

Initial recognition and measurement

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

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

Financial liabilities at fair value through profit and loss

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

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

Derecognition

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

j) Fair Value Measurement:

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

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

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

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

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

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

- All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

  Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

k) Foreign Currency and Translation balances:

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.

l) Trade Receivables:

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

m) 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.

n) Income Taxes:

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 settles its current tax assets and liabilities on a net basis.

o) Cash and Cash Equivalents

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

p) Employee Benefits

Short term Employee Benefits

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

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 encashment of leave Balance.

q) Research and Development

Revenue expenditure on Research and Development is charged to Profit and Loss Account as incurred. Capital expenditure on assets acquired for Research and Development is added to PPE and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

r) Borrowing Cost

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

s) 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.

t) Current / 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 ither 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.

u) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

(a) the Company has a present obligation as a result of a past event;

(b) a probable outflow of resources is expected to settle the obligation; and

(c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of

(a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

(b) a present obligation when no reliable estimate is possible; and

(c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognised, nor disclosed.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each balance Sheet date.

v) Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act,2013 in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.3 Key accounting estimates and judgements

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.

The areas involving critical estimates or judgements are:

a. Property Plant & Equipment - Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

b. Provisions - Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

c. Taxes - Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could change if estimates of future taxable income changes in the future

d. Defined Benefit Obligations - The cost of defined benefit gratuity plans, and post-retirement medical benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty

1.4 Recent Accounting Pronouncements

i. The Company has applied the following amendments for the first time for their annual reporting period commencing April 1, 2024 :

   Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind As 116 – Leases , relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact on its financial statements"

ii. New Standards/Amendments notified but not yet effective:

   Ind AS 21- Effects of Changes in Foreign Exchange

   These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025.

2. Property, plant and equipment, Intangibles and Capital work in progress as at 31st March 2025

(₹ in lakhs except otherwise stated)

	Description	GROSS BLOCK (AT COST)				DEPRECIATION INCLUDING AMORTISATION				NET BLOCK	
		As at 01.04.2024	Additions	Disposal, Transfer & Adjustments	As at 31.03.2025	As at 01.04.2024	Additions for the Year	Disposal, Transfer & Adjustments	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
2(i)	**Property, plant and equipment**										
	Tangible Asset										
	Leasehold Land	32.90	-	-	32.90	-	(1.04)	-	(1.04)	31.86	32.90
	Freehold Land	83.84	-	-	83.84	(3.12)	-	-	(3.12)	80.72	80.72
	Buildings	1,665.28	-	-	1,665.28	(394.12)	(151.71)	-	(545.83)	1,119.45	1,271.15
	Equipment & Machinery	571.45	20.90	0.80	591.55	(353.89)	(68.02)	-	(421.90)	169.64	217.56
	Computers Hardware	57.52	7.40	0.37	64.55	(48.07)	(4.68)	-	(52.75)	11.80	9.45
	Furniture & Fixtures	90.48	0.15	0.00	90.63	(69.93)	(6.45)	-	(76.38)	14.25	20.55
	Electric Fittings & Installations	92.28	2.35	0.17	94.46	(59.19)	(9.59)	-	(68.78)	25.68	33.09
	Vehicle	65.44	-	1.84	63.60	(56.89)	(3.96)	-	(60.84)	2.75	8.55
	Sub- total	**2,659.18**	**30.81**	**3.19**	**2,686.80**	**(985.21)**	**(245.44)**	**-**	**(1,230.64)**	**1,456.15**	**1,673.97**
2(ii)	**Intangible Assets**										
	Computer Software	84.49		1.03	83.46	(45.63)	(13.72)		(59.35)	24.11	38.86
	Sub- total	**84.49**	**-**	**1.03**	**83.46**	**(45.63)**	**(13.72)**	**-**	**(59.35)**	**24.11**	**38.86**
	Total	**2,743.67**	**30.81**	**4.22**	**2,770.26**	**(1,030.84)**	**(259.16)**	**-**	**(1,289.99)**	**1,480.27**	**1,712.83**
	Previous Year	**2,512.77**	**237.29**	**6.39**	**2,743.67**	**(886.58)**	**(147.43)**	**3.17**	**(1,030.84)**	**1,712.83**	
2(iii)	**Captial Work in Progress**	17.05	30.27	17.05	30.27	-	-	-	-	30.27	17.05

(i) Previous year figures have been regrouped and reclassified wherever necessary

(ii) Pursuant to the composite scheme of arrangement, the Company is in the process of transferring the title deeds and lease agreements of the Property, Plant & Equipment in the name of the Company

(iii) The Company has adopted the Written Down Value (WDV) method of depreciation for the Property, Plant and Equipment (PPE) pertaining to the demerged undertaking received from CMTL.

Property, plant and equipment, Intangibles and Capital work in progress as at 31st March 2024

	Description	GROSS BLOCK (AT COST)				DEPRECIATION INCLUDING AMORTISATION				NET BLOCK	
		As at 01.04.2023	Additions	Disposal, Transfer & Adjustments	As at 31.03.2024	As at 01.04.2023	Additions for the Year	Disposal, Transfer & Adjustments	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
2(i)	**Property, plant and equipment**										
	Tangible Asset										
	Leasehold Land	32.90	-	-	32.90	-	-	-	-	32.90	-
	Freehold Land	83.84	-	-	83.84	(2.77)	(0.35)	-	(3.12)	80.72	-
	Buildings	1,499.27	166.01	-	1,665.28	(341.41)	(52.72)	-	(394.12)	1,271.15	-
	Equipment & Machinery	536.12	41.71	6.39	571.45	(279.10)	(77.87)	3.09	(353.89)	217.56	-
	Computers Hardware	53.04	4.48	-	57.52	(43.30)	(4.79)	0.02	(48.07)	9.45	-
	Furniture & Fixtures	90.48	-	-	90.48	(68.18)	(1.75)	-	(69.93)	20.55	-
	Electric Fittings & Installations	81.01	11.27	-	92.28	(54.30)	(4.95)	0.06	(59.19)	33.09	-
	Vehicle	65.44	-	-	65.44	(56.89)	-	-	(56.89)	8.55	-
	Sub- total	**2,442.10**	**223.47**	**6.39**	**2,659.18**	**(845.95)**	**(142.43)**	**3.17**	**(985.21)**	**1,673.97**	**-**
2(ii)	**Intangible Assets**										
	Computer Software	70.67	13.83	-	84.49	(40.63)	-5.00	-	(45.63)	38.86	-
	Sub- total	**70.67**	**13.83**	**-**	**84.49**	**(40.63)**	**(5.00)**	**-**	**(45.63)**	**38.86**	**-**
	Total	**2,512.77**	**237.29**	**6.39**	**2,743.67**	**(886.58)**	**(147.43)**	**3.17**	**(1,030.84)**	**1,712.83**	**-**
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2(iii)	**Captial Work in Progress**	-	17.05	-	17.05	-	-	-	-	17.05	-

(₹ in lakhs except otherwise stated)

3	Financial Assets (Non-Current)	As at 31/03/2025	As at 31/03/2024
	Investments *		
	Investment in unquoted equity instruments of subsidiaries amortised at cost		
	i) 5,00,000 (PY-5,00,000) Equity Shares of Chembond Water Technologies Ltd of ₹ 10/- each fully paid up.	4,887.86	4,887.86
	(Constituting 100.00% (100.00%) of the said Company's paid up capital)		
	ii) 27,49,414 (PY-27,49,414) Equity Shares of Chembond Calvatis Industrial Hygiene SystemsLimited of ₹ 1/- each fully paid up	32.39	32.39
	(Constituting 55.00 % (55.00%) of the said Company's paid up capital)		
	iii) 5,00,000 (PY-5,00,000) Equity Shares of Chembond Distribution Ltd. of ₹ 1/- each fully paid up.	92.40	92.40
	(Constituting 100.00% (100.00%) of the said Company’s paid up capital)		
	Total	**5,012.66**	**5,012.66**
	Aggregate amount of Unquoted Investments	5,012.66	5,012.66
	Aggregate amount of Impairement in value of investment	-	-
	*Pursuant to the composite scheme of arrangement mention in note no 50 , the above investments are in pursuant to the composite scheme of arrangement and the effect for the same is considered in previous reporting period.		

4	Other Non- Current Financial Assets	As at 31/03/2025	As at 31/03/2024
	(Unsecured & considered good)		
	Bank Deposits with more than 12 months maturity	4.07	-
	Other Deposits	4.86	4.83
	Total	**8.93**	**4.83**

5	Income tax asset (net)	As at 31/03/2025	As at 31/03/2024
	Advance Income Tax (Net of Provision)	-	47.65
	Total	**-**	**47.65**

6	Other non-current assets	As at 31/03/2025	As at 31/03/2024
	Prepaid expenses	0.50	0.31
	Total	**0.50**	**0.31**

7	Inventories	As at 31/03/2025	As at 31/03/2024
	(At lower of Cost or Net Realisable Value)		
	Raw Materials	141.79	161.02
	Packing Materials	23.03	25.33
	Finished Goods*	82.99	66.15
	Stock-in-Trade	250.74	184.04
	Work in Progress	22.46	44.71
	Total	**521.01**	**481.24**

*Finished goods includes Stock in transit amounting to ₹ 7.49 lakhs as at 31st March 2025 (₹ 27.02 lakhs as at 31st March 2024)

(₹ in lakhs except otherwise stated)

8	Investments (Current)	As at 31/03/2025	As at 31/03/2024
	Investments in Quoted Equity Shares carried at fair value through Profit and Loss		
	4,432.29 Units (P.Y 3411.39) of Kotak Liquid Scheme Regular Plan Growth	230.11	212.45
	5,07,222.75 Units (P.Y 476937.51) of ICICI Prudential Gilt Fund -Growth	511.29	442.48
	80,836.70 Units (P.Y 70660.44) of HDFC Balance advantage fund	393.72	409.40
	2,835.29 Units (P.Y Nil) of ICICI Prudential Equity & Debt Fund	10.45	-
	2,57,599.57 Units (P.Y Nil) of Kotak Balance Advantage Fund	50.00	-
	Total	**1,195.58**	**1,064.33**
	Aggregate amount of Quoted Investments at Market Value	1,195.58	1,064.33
	Aggregate amount of Quoted Investments at Cost	1,062.02	996.45
	Aggregate amount of Impairement in value of investment	-	-

9	Trade Receivables	As at 31/03/2025	As at 31/03/2024
	(a) Trade receivables considered good - Secured	-	-
	(b) Trade receivables considered good - UnSecured:		
	(i) Considered Good	2,022.06	1,524.67
	(ii) Credit Impaired	41.27	14.55
	Total	**2,063.33**	**1,539.23**
	(c) Trade Receivables which have significant increase in Credit Risk		
	Less - Impairment Loss allowance (Refer note 10 ii)	(41.27)	(14.55)
	Total	**2,022.06**	**1,524.67**
	i For Related party transactions Refer Note No.39		
	ii For Trade Receivables Ageing Schedule Refer Note No 40		
	iii **Movement in Credit Impaired**		
	Provision at the beginning of the year	14.55	-
	Effect Pursuant to the composite scheme of arrangement	-	19.39
	Add: Provision during the year	26.72	5.26
	Less: Reversal during the year	-	(10.10)
	Provision at the year end	**41.27**	**14.55**

10	Cash and Cash equivalents	As at 31/03/2025	As at 31/03/2024
	In Current Accounts	137.17	89.03
	Cash on hand	0.01	0.04
	Total	**137.19**	**89.07**

11	Bank balances other than cash and cash equivalents	As at 31/03/2025	As at 31/03/2024
	Margin money (Including bank deposits with more than 3 months maturity)	5.29	8.87
	Total	**5.29**	**8.87**

12	Loans	As at 31/03/2025	As at 31/03/2024
	(Unsecured & considered good)		
	Loan and advance to Employees	0.52	0.77
	Total	**0.52**	**0.77**

(₹ in lakhs except otherwise stated)

13	Other Current Financial Assets	As at 31/03/2025	As at 31/03/2024
	(Unsecured & considered good)		
	Security Deposits	48.15	46.42
	Total	**48.15**	**46.42**

14	Other Current Assets	As at 31/03/2025	As at 31/03/2024
	Prepaid expenses	26.58	33.13
	Advances for supply of goods and services	7.50	-
	Balances with government authorities	5.12	22.57
	Total	**39.21**	**55.70**

15	Share Capital	As at 31/03/2025	As at 31/03/2024
	Authorised		
	2,80,10,000 (2,80,10,000) Equity Shares of ₹ 5/-(₹ 5/-) each	1,400.50	1,400.50
	Issued, Subscribed and Paid up (Pending Allotment upon Demerger)		
	2,68,96,576 (2,68,96,576) Equity Shares of ₹ 5/-(₹ 5/-) each fully paid up	1,344.83	1,344.83
	Total	**1,344.83**	**1,344.83**

a	Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:	No. of Shares	Paidup Value
	Balance as at 31 March 2023	-	-
	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 :		
	(a) Equity share capital		
	Equity Shares of ₹ 5/- each issued	10,000	0.50
	Less: Cancellation of Existing Equity Shares of ₹ 5/- each in pursuant to the Composit Scheme of Arrangement (refer note-)	(10,000)	(0.50)
	(b) Share Capital Pending allotment		
	Add: Equity shares of ₹ 5/- each to be issued to share holders of CMTL (Chembond Material Technologies Limited - formarly known as Chembond Chemical Limited) pending allotment in pursuant to the Composite Scheme of Arrangement (refer note- 51)	2,68,96,576	1,344.83
	Balance as at 31 March 2024	**2,68,96,576**	**1,344.83**
	Changes in Equity share capital due to prior period errors	-	-
	Restated balance at the beginning of the current reporting period	2,68,96,576	1,344.83
	Changes in equity share capital during the current year	-	-
	Balance as at 31 March 2025	**2,68,96,576**	**1,344.83**

b Details of Shareholders holding more than 5% Shares

Name of the Shareholder	% Held	As at 31/03/2025 No of Shares	% Held	As at 31/3/2024 No of Shares
Nirmal Vinod Shah	13.35%	35,90,380	13.35%	35,90,380
Sameer Vinod Shah	12.54%	34,00,288	12.54%	34,00,288
Padma Vinod Shah	12.57%	33,82,200	12.57%	33,82,200
Visan Holding Pvt. Ltd.	9.75%	26,21,260	9.75%	26,21,260

(₹ in lakhs except otherwise stated)

c Disclosure of shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2025 is as follows:

Shares held by promoter at the end of the year		% Held	No. of shares	% of total shares as on 31st March 2024	% change during the year
Sr. No.	Promoter Name				
1	Nirmal Vinod Shah	13.35%	35,90,380	13.35%	-
2	Sameer Vinod Shah	12.54%	34,00,288	12.54%	-
3	Padma Vinod Shah	12.57%	33,82,200	12.57%	-
4	Ashwin Ratilal Nagarwadia	3.72%	10,00,000	3.72%	-
5	Bhadresh D Shah	1.40%	3,77,868	1.40%	-
	Total		**1,17,50,736**		-

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Shares held by promoter at the end of the year		% Held	No. of shares	% of total shares as on 31st March 2023	% change during the year(Pursuant to the Scheme of Arrangement)
Sr. No.	Promoter Name				
1	Nirmal Vinod Shah	13.35%	35,90,380	13.35%	100%
2	Sameer Vinod Shah	12.54%	34,00,288	12.54%	100%
3	Padma Vinod Shah	12.57%	33,82,200	12.57%	100%
4	Ashwin Ratilal Nagarwadia	3.72%	10,00,000	3.72%	100%
5	Bhadresh D Shah	1.40%	3,77,868	1.40%	100%
	Total		**1,17,50,736**		

d Terms and rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

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

16 **Other Equity**	As at 31/03/2025	As at 31/03/2024
As per last year	827.81	-
Add : Pursuant to the Composite Scheme of Arrangement (Refer Note- 50 & 51)	-	827.81
Closing	**827.81**	**827.81**
Retained Earnings		
As per last year	6,754.50	-
Add: Profit for the Year	602.86	743.03
Add : Pursuant to the Composite Scheme of Arrangement (Refer Note- 50 & 51)	-	6,160.48
	7,357.36	**6,903.50**
Less: Appropriations		
Dividends	(150.00)	(149.01)
	7,207.36	**6,754.50**
Other Comprehensive Income (OCI)		
Remeasurements of the net defined benefit Plans		
As per last year	(11.97)	-
Add : Pursuant to the Composite Scheme of Arrangement (Refer Note-50 & 51)	-	(13.18)
Addition/ (Deduction) during the year	(3.82)	1.21
	(15.79)	**(11.97)**
Total	**8,019.38**	**7,570.33**

(₹ in lakhs except otherwise stated)

17	Provisions- Non Current	As at 31/03/2025	As at 31/03/2024
	Provision for employee benefits :		
	Provision for Gratuity	22.26	15.30
	Total	**22.26**	**15.30**

18	Deferred Tax Liability (Net)	As at 31/03/2025	As at 31/03/2024
	Deferred tax Liability		
	Written Down Value of Property Plant & Equipment	170.74	221.07
	Investments at Fair Value	27.78	67.88
	A	**198.52**	**288.95**
	Deferred tax Asset		
	Gratuity	7.59	21.96
	Provision for Expected Credit Loss	10.39	14.55
	B	**17.98**	**36.51**
	Net Deferred Tax Liability Total (A-B)	**180.54**	**252.43**

19	Other Non- Current Liabilities	As at 31/03/2025	As at 31/03/2024
	Dealer Deposits	65.79	62.91
	Total	**65.79**	**62.91**

20	Trade Payables	As at 31/03/2025	As at 31/03/2024
	Total Outstanding Dues of Micro and Small Enterprises	90.40	18.87
	Total Outstanding Dues of Creditors other than Micro and Small Enterprises	452.22	599.87
	Total	**542.62**	**618.75**
	a For Related party transaction Refer Note No.39		
	b For Trade Payable Ageing Schedule Refer Note No 41		
	c 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	90.40	18.87
	Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	-	0.01
	Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
	Interest paid/adjusted to suppliers under MSMED Act, 2006 (other than section 16)	-	-
	Interest paid/adjusted to suppliers under MSMED Act, 2006 (Section 16)	-	-
	Interest due and payable to suppliers under MSMED Act, 2006 for payments already made	-	0.01
	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	0.01

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.

(₹ in lakhs except otherwise stated)

21	Other Current Liabilities	As at 31/03/2025	As at 31/03/2024
	Advance Received From Customers	-	6.79
	Statutory Dues	18.37	5.39
	Employee benefits payable	189.30	180.01
	Creditors for expenses	6.83	3.01
	Total	**214.50**	**195.19**

22	Provisions	As at 31/03/2025	As at 31/03/2024
	Provision for Gratuity	7.91	6.66
		7.91	**6.66**

23	Current Tax Liabilities (Net)	As at 31/03/2025	As at 31/03/2024
	Provision for Current Tax (Net of Advance Tax)	103.79	-
	Total	**103.79**	**-**

24	Revenue from Operations	2024-2025	2023-2024
	Sale of Goods	6,818.08	6,782.93
	Sale of Services	109.15	103.12
	Other Operating revenue		
	Miscellaneous Income	12.81	-
	Total	**6,940.04**	**6,886.05**

25	Other Income	2024-2025	2023-2024
	Dividend Income	200.00	200.00
	Net gain on Sale of Investments	25.60	9.10
	Interest at Effective Interest Rate	3.46	1.03
	Rent (Gross)	71.83	72.55
	Profit on Sale of Property Plant & Equipment	13.28	-
	Miscellaneous Income	1.23	25.98
	Gain on fair valution of investments	65.67	67.88
	Total	**381.08**	**376.54**

26	Cost of materials consumed	2024-2025	2023-2024
	Raw Materials Consumed	2,877.15	2,657.99
	Packing Materials Consumed	224.87	226.03
	Total	**3,102.02**	**2,884.02**

27	Purchases of stock-in-trade	2024-2025	2023-2024
	Purchases of Stock-in-trade	945.63	914.48
	Total	**945.63**	**914.48**

(₹ in lakhs except otherwise stated)

28	Changes in inventory of Finished goods, Work in progress and Stock in Trade	2024-2025	2023-2024
	(a) Finished goods/ Stock in Trade/ Work In Progress (At Close)	**356.19**	**294.90**
	Finished goods	82.99	66.15
	Work In Progress	22.46	44.71
	Stock in Trade	250.74	184.04
	(b) Finished goods/ Stock in Trade/ Work In Progress (At commencement)*	**294.90**	**307.42**
	Finished goods	66.15	62.87
	Work In Progress	44.71	23.16
	Stock In Trade	184.04	221.39
	Total	**(61.29)**	**12.53**

* FY 2023-24, the figures at the commencement of the year are based on the impact of the Composite Scheme of Arrangement from earliest reporting period i.e. effective from 1st April 2023.

29	Employee benefits expense	2024-2025	2023-2024
	Directors' Remuneration	57.67	78.00
	Salaries & Wages	996.56	812.39
	Gratuity	8.32	7.56
	Contribution to Provident & other funds	58.33	69.88
	Staff Welfare Expenses	47.33	48.28
	Total	**1,168.20**	**1,016.10**

30	Finance Costs	2024-2025	2023-2024
	(a) Interest Expense at Effective Interest rate		
	Banks	0.35	2.27
	MSMED	-	0.01
	Others	2.89	3.86
	(b) Other borrowing costs		
	Bank Guarantee fees & charges	5.85	2.46
	Corporate Guarantee fees	1.50	1.50
	Total	**10.59**	**10.10**

31	Depreciation and Amortisation expenses	2024-2025	2023-2024
	Depreciation and Amortisation Expenses	259.16	127.32
	Total	**259.16**	**127.32**

32	Other Expenses	2024-2025	2023-2024
	Manufacturing Expenses		
	Consumable stores	6.04	6.54
	Power, Fuel & Water Charges	2.72	3.85
	Research and Development	0.44	-
	Laboratory Expenses	3.79	1.72
	Repairs and Renewals to Plant & Machinery	20.07	12.64
	Labour Charges	166.59	161.95
	Security Expenses	38.85	40.62
	Factory Maintenance	13.33	13.97
	A	**251.82**	**241.28**

(₹ in lakhs except otherwise stated)

Administrative Expenses			
Directors' Sitting Fees		12.45	10.38
Rates & Taxes		9.71	22.65
Electricity charges		48.58	47.57
Printing and stationary		5.17	5.04
Telephone & Postage Expenses		11.57	11.84
Insurance		37.40	37.32
Motor car expenses		19.64	13.46
Auditors Remuneration (Refer note b)		15.60	13.07
Legal, Professional & consultancy fees		143.50	151.73
Repairs & Maintenance Buildings		0.38	0.06
Repairs & Maintenance Others		82.14	105.36
Miscellaneous expenses		23.64	35.94
Corporate Social responsibility Expenditure (Refer note c)		13.28	11.88
Sales Tax & Other Taxes		-	29.60
Loss on Sale of Property Plant & Equipment		-	0.21
Provision for Expected credit loss on trade receivables		26.72	3.37
Input GST Reversed		1.34	-
Foreign Exchange Fluctuation Loss		6.41	0.79
Bad Debts Written Off		-	60.87
	B	**457.54**	**561.13**
Selling and Distribution Expenses			
Carriage outwards		157.00	153.58
Rent (Refer note c)		9.24	13.07
Commission on sales		55.55	29.47
Travelling Expenses		160.32	147.96
Conveyance expenses		16.15	17.94
Royalty Expenses		6.23	14.32
Advertising & Publicity Expenses		1.44	0.78
Packing Expenses		19.13	7.35
Sales Promotion Expenses		4.02	11.04
	C	**429.08**	**395.51**
Total (A+B+C)		**1,138.43**	**1,197.92**

32 a	**Research and laboratory ex. consists of:**	**2024-2025**	**2023-2024**
	Resarch and Develpoment Laboratory Mahape	4.22	1.72
	Total	**4.22**	**1.72**

32 b	**Auditor's Remuneration consists of:**	**2024-2025**	**2023-2024**
	Statutory Audit Fees	14.96	12.43
	Tax Audit Fees	0.75	0.43
	Taxation and Other Matters	-	0.21
	Total	**15.71**	**13.07**

(₹ in lakhs except otherwise stated)

32 c Corporate Social Responsibility

In accordance with the provisions of Section 135 of the Companies Act, 2013, the applicability of Corporate Social Responsibility (CSR) is determined based on the financial thresholds prescribed therein. For the financial years 2023–24 and 2024–25, the Company does not meet the criteria specified under Section 135 and, accordingly, the constitution of a CSR Committee and related disclosures are not applicable. Further, pursuant to the Composite Scheme of Arrangement involving the merger of Chembond Clean Water Technologies Limited and the demerger of the CC & WT Business Undertaking of Chembond Chemicals Limited into the Company, the financials of the current and preceding financial years include the effect of the said Scheme, accounted for using the pooling of interest method which has inclusion of CSR expenditure incurred by CCWTL.

Details of corporate social responsibility expenditure		
a) Amount required to be spent by the company during the year	13.28	11.88
b) Amount of expenditure incurred		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) and above	13.28	11.88
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Nature of CSR activities	Promotion of Child Education	Promotion of Child Education
f) Details of related party transactions	Refer Note 39	Refer Note 39
h) Where a provision is made with respect to a liability incurred by entering into a contractual the year shall be shown separately.	-	-

32 d Lease

The Lease normally acquires offices, warehouses and vehicles under non-cancellable operational leases. Minimum lease payments outstanding at year end in respect of these asets are as under:

Company as a Lessee	Total Minimum Lease Payment Outstanding as on 31/03/2025	Total Minimum Lease Payment Outstanding as on 31/03/2024
Due within one year	7.70	5.80
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	9.24	13.07

33 EARNINGS PER SHARE	2024-2025	2023-2024
Net Profit available to Equity Shareholders (₹ In Lakhs)	602.86	743.03
Total number of Equity Shares - (Face value of ₹ 5/- each fully paid up)	2,68,96,576	2,68,96,576
Weighted No. of Equity Shares	2,68,96,576	2,68,96,576
Basic Earnings per Share (in Rupees)	2.24	2.76
Diluted No. of Equity Shares	2,68,96,576	2,68,96,576.00
Diluted Earnings per Share (in Rupees)	2.24	2.76

34 EARNINGS IN FOREIGN EXCHANGE	2024-2025	2023-2024
Export of Goods on FOB Basis	1.86	-
Commission	-	-
Total	1.86	-

35 SEGMENT REPORTING

The Company is engaged in the manufacture, trading and providing services of Specialty Chemical products, which, in the context of Ind AS 108 – Operating Segments, specified under Section 133 of the Companies Act, 2013, is considered as a single business segment of the Company.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker, which reviews and assesses the financial performance and makes strategic decisions.

Revenue from a single external customer is not in excess of 10% of the total revenue for the year.

(₹ in lakhs except otherwise stated)

36 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 2025	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents (Including other bank balances)	-	-	142.48	142.48	-	-	-	-
Investments	-	-	-	-	-	-	-	-
- Mutual Funds	1,195.58	-	-	1,195.58	1,195.58	-	-	1,195.58
- Equity Shares (Quoted)	-	-	-	-	-	-	-	-
- Equity Shares (Unquoted)	-	-	-	-	-	-	-	-
- Preference shares and bonds			-	-	-	-	-	-
Trade and other receivables	-	-	2,022.06	2,022.06	-	-	-	-
Loans	-	-	0.52	0.52	-	-	-	-
Other financial assets	-	-	48.15	48.15	-	-	-	-
TOTAL	**1,195.58**	**-**	**2,213.21**	**3,408.78**	**1,195.58**	**-**	**-**	**1,195.58**
Financial liabilities	-	-	-	-	-	-	-	-
Long term borrowings (Including current maturity of Long term borrowings)	-	-	-	-	-	-	-	-
Short term borrowings	-	-	-	-	-	-	-	-
Trade and other payables	-	-	542.62	542.62	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**542.62**	**542.62**	**-**	**-**	**-**	**-**

As at 31 March 2024	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents (Including other bank balances)	-	-	97.94	97.94	-	-	-	-
Investments	-	-	-	-	-	-	-	-
- Mutual Funds	1,064.33	-	-	1,064.33	1,064.33	-	-	1,064.33
- Equity Shares (Quoted)	-	-	-	-	-	-	-	-
- Equity Shares (Unquoted)	-	-	-	-	-	-	-	-
Trade and other receivables	-	-	1,524.67	1,524.67	-	-	-	-
Loans	-	-	0.77	0.77	-	-	-	-
Other financial assets	-	-	46.42	46.42	-	-	-	-
TOTAL	**1,064.33**	**-**	**1,669.81**	**2,734.14**	**1,064.33**	**-**	**-**	**1,064.33**
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	-	-	-	-	-	-
Short term borrowings	-	-	-	-	-	-	-	-
Trade and other payables	-	-	618.75	618.75	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**618.75**	**618.75**	**-**	**-**	**-**	**-**

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

(₹ in lakhs except otherwise stated)

B. Measurement of fair values

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 113 are described below:

Level 1: Heirarchy includes financial instruments measured using quoted prices.

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

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

Transfers between Levels

There are no transfers betweeen the levels

C. Financial risk management

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

i. Risk management framework

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

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

ii. Credit risk

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

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

Trade and other receivables

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

The Company manages credit risk through various internal policies and procedures setforth 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 based on expected credit loss model 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.

(₹ in lakhs except otherwise stated)

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

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

Sr No	As at 31st March, 2025	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Borrowings		-	-	-
2	Trade payables	22	542.62	542.62	-
3	Other Financials Liability		-	-	-
4	Other Current Liabilities	23	214.50	214.50	-
	TOTAL		**757.14**	**757.14**	**-**
Sr No	**As at 31st March, 2024**	**Notes**	**Carrying Values**	**Less than 12 Months**	**More than 12 Months**
1	Borrowings		-	-	-
2	Trade payables	22	618.75	618.75	-
3	Other Financials Liability		-	-	-
4	Other Current Liabilities	23	195.19	195.19	-
	TOTAL		**813.95**	**813.95**	**-**

iv. Market risk

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

a) Currency risk

The Compnay 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 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 varioustenors depending on the liquidity needs of the Company. The Company's exposures to interest rate risk is not significant.

37 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, is as detailed below :

The expected maturity analysis is as follows :	Year ended March 31, 2025	Year ended March 31, 2024
Contribution to Provident Fund	26.71	24.26
Contribution to Superannuation Fund	-	-
Contribution to ESIC	1.37	1.80
Contribution to Labour Welfare Fund	0.06	0.02

(₹ in lakhs except otherwise stated)

(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 Acturial Valuation are as follows:

		As at 31 March 2025	As at 31 March 2024
		Funded Plan	
(i)	**Change in Defined Benefit Obligation**		
	Opening defined benefit obligation	50.11	43.33
	Amount recognised in profit and loss		
	Current service cost	6.71	6.21
	Interest cost	3.66	3.25
	Amount recognised in other comprehensive income		
	Actuarial loss / (gain) arising from:		
	Financial assumptions	3.09	1.19
	Other	0.15	(3.19)
	Benefits paid	(6.62)	(0.67)
	Closing defined benefit obligation	57.11	50.11
(ii)	**Change in Fair Value of Assets**		
	Opening fair value of plan assets	28.16	25.42
	Amount recognised in profit and loss	2.05	1.90
	Interest income		
	Amount recognised in other comprehensive income		
	Actuarial gain / (loss)		
	Return on Plan Assets, Excluding Interest Income	(0.11)	(0.33)
	Amount not recognised due to Asset limit (P.Y)		
	Other		
	Contributions by employer	5.21	1.83
	Benefits paid	(8.36)	(0.67)
	Closing fair value of plan assets	26.95	28.16
	Actual return on Plan Assets	1.94	1.58
(iii)	**Plan assets comprise the following**	Unqouted	Unqouted
	Insurance fund (100%)	26.95	28.16
(iv)	**Principal actuarial assumptions used**	%	%
	Discount rate	6.82	7.30
	Withdrawal Rate	1.00	1.00
	Future Salary Increase	5.00	5.00
(v)	**Amount recognised in the Balance Sheet**		
	Present value of obligations as at year end	57.11	50.11
	Fair value of plan assets as at year end	26.93	28.15
	Net (asset) / liability recognised as at year end	30.17	21.96
	Recognised under :		
	Short term provisions	7.91	6.66
	Long term provisions	22.26	15.30
		30.17	21.96

(vi) Sensitivity analysis

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

	As at 31st March, 2025		As at 31st March, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(10.80)	12.80	(11.10)	13.10
Future salary growth (1% movement) - Gratuity	12.90	(11.80)	13.80	(11.80)

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

(₹ in lakhs except otherwise stated)

(vi) **Expected future cash flows**

The expected maturity analysis is as follows :	For year ended 31.03.2025	For year ended 31.03.2024
Expected benefits for year 1	0.84	0.79
Expected benefits for year 2	2.81	0.86
Expected benefits for year 3	0.98	2.64
Expected benefits for year 4	1.07	0.98
Expected benefits for year 5	6.19	1.06
Expected benefits for year 6 and above	26.29	31.24

38 **Financials Ratios**

Financials Ratios	FY 2024-2025	FY 2023-2024	Variance
(a) Current Ratio			
Current Assets(A)	3,969.00	3,271.08	
Current Liabilties(B)	868.82	820.60	
Current Ratio(A/B)	**4.57**	**3.99**	**14.60%**
(b) Debt-Equity Ratio			
Total Borrowings(A)- Current + Non-current borrowings (A)	-	-	
Total Shareholders' Equity(B) - Total Equity (B)	9,364.21	8,915.16	
Debt-Equity Ratio(A/B)	**-**	**-**	**-**
(c) Debt Service Coverage Ratio			
Earnings for debt service= Net profit after taxes + Non- Cash operating expenses+Interest+ Other adjustments (A)	1,017.89	1,229.72	
Interest on Loan+Loan repayment in a year(B)**	0.35	2.27	
Debt Service Coverage Ratio(A/B)	**2,924.76**	**541.45**	**4.40 %**
(d) Return on Equity Ratio			
Net Profit(A)	602.86	743.03	
Average Shareholders Equity(B)	9,139.69	8,915.16	
Return on Equity Ratio(A/B)	**6.60%**	**8.33%**	**1.74%**
(e) Inventory turnover ratio			
Raw materials,components,finished goods and work in progress consumed (A)	3,986.35	3,811.02	
Average Inventory(B)	501.13	481.24	
Inventory turnover Ratio(A/B)	**7.95**	**7.92**	**0.45%**
(f) Trade receivables turnover ratio			
Net sales(A)	6,940.04	6,886.05	
Average Accounts receivable(B)	1,773.37	1,524.67	
Trade receivable turnover Ratio(A/B)	**3.91**	**4.52**	**(13.35%)**
(g) Trade Payables turnover ratio			
Net Purchases(A)	4,092.82	4,168.88	
Average trade payable(B)	580.69	618.75	
Trade Payables turnover Ratio(A/B)	**7.05**	**6.74**	**4.61%**
(h) Net Capital turnover ratio			
Net sales(A)	6,940.04	6,886.05	
Average Working capital (i.e. Total current assets - Total Current Liabilities) (B)	2,775.33	2,450.48	
Net Capital turnover Ratio(A/B)	**2.50**	**2.81**	**(11.01%)**

(₹ in lakhs except otherwise stated)

(i) Net Profit ratio			
Net Profit(A)	602.86	743.03	
Net Sales(B)	6,940.04	6,886.05	
Net Profit Ratio(A/B)	**8.69%**	**10.79%**	**(19.50%)**
(j) Return on Capital employed			
EBIT(A) - PBT+Finance Costs	768.98	1,110.23	
Shareholders Equity+Long term liabilities(B) - Total Equity + Borrowings+ Tax Provision + Gratuity Provision	9,632.80	9,245.81	
Return on Capital employed(A/B)*	**7.98%**	**12.01%**	**(33.52%)**
(k) Return on Quoted Investment			
Income generated from investment funds (Dividend Income+ Realised and unrealised gain on investments) (A)	91.27	76.98	
Average Cost of Investments (B)	1,029.24	996.45	
Return on Investment(A/B)	**8.87%**	**7.73%**	**14.79%**

* Return on Capital Employed has decreased due to increased consumption during FY 2024-25 resulting in fall in Earnings Before Interest and Tax for FY 2024-25

** The Interest only includes,Interest on working capital credit facilities

39 Related party disclosures as required under Ind AS 24 on "Related Party Disclosures"

a) Name of related party and discription of relationship:

i. Joint Venture Partner:

Calvatis Gmbh

ii. Subsidiaries:

Chembond Water Technologies Ltd (CWTL), Chembond Distribution Ltd (CDL), Chembond Calvatis Industrial Hyegine Solutions Ltd (CCIHSL),

iii. Step-down Subsidiaries:

Chembond Water Technologies (Malaysia) Sdn. Bhd., Chembond Water Technologies (Thailand) Company Limited

iv. Step-down Associates:

Rewasoft Solutions Private Limited

v. Key Management Personnel and their relatives (KMP)

Key Management Personnel:

Nirmal V. Shah (Director)

Sameer V. Shah (Director)

Prachi Mahadik (Chief Finance Officer Appointed w.e.f. April 1, 2025)

Kiran Mukadam (Company Secretary Appointed w.e.f. May 6, 2025)

Relatives of KMP:

Padma V. Shah, Dr. Shilpa S. Shah, Mamta N. Shah, Alpana S. Shah, Jyoti N. Mehta, Amrita S. B' Durga, Malika S.Shah, Kshitija N. Shah, Raunaq S. Shah, Rahil N. Shah

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

CCL Opto Electronics Pvt Ltd, Finor Piplaj Chemicals Ltd, S and N Ventures Pvt Ltd, Visan Holdings Pvt Ltd, Visan Trust,Protochem Products Pvt Ltd.and Oriano Clean Energy Pvt Ltd.

(₹ in lakhs except otherwise stated)

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

For the year ended/as on	31.03.2025		31.03.2024	
Description of the nature of transactions	**Subsidiaries, Step down subsidiaries, Associates KMP & Entities where KMP are interested**	**Total**	**Subsidiaries, Step down subsidiaries, Associates KMP & Entities where KMP are interested**	**Total**
Sales of Goods	**1,708.01**	**1,708.01**	**1,604.79**	**1,604.79**
Chembond Calvatis Industrial Hygeine Systems Ltd	83.44	83.44	103.43	103.43
Finor Piplaj Chemicals Ltd	4.24	4.24	5.34	5.34
Chembond Water Technologies Ltd	1,490.70	1,490.70	1,473.03	1,473.03
Chembond Distribution Ltd	129.62	129.62	22.99	22.99
Purchase of Goods	**1,877.21**	**1,877.21**	**1,340.28**	**1,340.28**
Chembond Material Technologies Ltd	7.69	7.69	9.02	9.02
Finor Piplaj Chemicals Ltd	646.84	646.84	340.88	340.88
Rewa Soft Solution Pvt Ltd	-	-	5.67	5.67
Chembond Water Technologies Ltd	978.78	978.78	663.88	663.88
Chembond Calvatis Industrial Hygeine Systems Ltd	0.69	0.69	1.04	1.04
Chembond Distribution Ltd	243.21	243.21	319.79	319.79
Sale of Fixed Assets	**-**	**-**	**0.72**	**0.72**
Finor Piplaj Chemicals Ltd	-	-	0.72	0.72
Rent Income	**66.78**	**66.78**	**66.54**	**66.54**
Chembond Water Technologies Ltd	63.54	63.54	63.54	63.54
Finor Piplaj Chemicals Ltd	3.00	3.00	3.00	3.00
Chembond Distribution Ltd	0.24	0.24	-	-
Rental Expenses	**7.20**	**7.20**	**7.20**	**7.20**
Chembond Water Technologies Ltd	1.20	1.20	1.20	1.20
Finor Piplaj Chemicals Ltd	6.00	6.00	6.00	6.00
Professional & Consultancy Fees	**-**	**-**	**0.35**	**0.35**
Kshitija Shah	-	-	0.35	0.35
Director Remuneration	**100.75**	**100.75**	**81.02**	**81.02**
Nirmal V. Shah	100.75	100.75	81.02	81.02
Director Sitting Fees	**0.80**	**0.80**	**0.90**	**0.90**
Sushil Lakhani	0.40	0.40	0.60	0.60
Mahendra Ghelani	0.40	0.40	0.30	0.30
Corporate Gurantee Fees	**1.50**	**1.50**	**0.37**	**0.37**
Chembond Material Technologies Ltd	1.50	1.50	0.37	0.37
Commission	**1.50**	**1.50**	**1.00**	**1.00**
Sushil Lakhani	1.50	1.50	1.00	1.00
Business Support Services (Income)	**-**	**-**	**200.00**	**200.00**
Chembond Water Technologies Ltd	-	-	200.00	200.00

(₹ in lakhs except otherwise stated)

Sub-contracting Receipt (Revenue)	**572.57**	**572.57**	**783.85**	**783.85**
Chembond Water Technologies Ltd	572.57	572.57	783.85	783.85
Sub-contracting Receipt (Expense)	**7.67**	**7.67**	**-**	**-**
Chembond Water Technologies Ltd	7.67	7.67	-	-
Dividend Paid	**150.00**	**150.00**	**149.01**	**149.01**
Chembond Water Technologies Ltd	150.00	150.00	149.01	149.01
Dividend Received	**200.00**	**200.00**	**200.00**	**200.00**
Chembond Water Technologies Ltd	200.00	200.00	200.00	200.00
Sundry Debtors	**440.57**	**440.57**	**318.53**	**318.53**
Chembond Material Technologies Ltd	-	-	-	-
Finor Piplaj Chemicals Ltd	(0.95)	(0.95)	11.58	11.58
Chembond Water Technologies Ltd	338.46	338.46	268.58	268.58
Chembond Distribution Ltd	59.54	59.54	17.90	17.90
Chembond Calvatis Industrial Hygeine Systems Ltd	43.52	43.52	20.47	20.47
Sundry Creditors	**132.54**	**132.54**	**144.33**	**144.33**
Chembond Material Technologies Ltd	1.29	1.29	1.52	1.52
Rewa Soft Solution Pvt Ltd	-	-	3.90	3.90
Chembond Calvatis Industrial Hygeine Systems Ltd	0.01	0.01	-	-
Finor Piplaj Chemicals Ltd	71.91	71.91	62.12	62.12
Chembond Water Technologies Ltd	21.96	21.96	15.90	15.90
Chembond Distribution Ltd	37.37	37.37	60.89	60.89

40 Ageing Schedule for Trade receivables

Ageing for trade receivables outstanding as on 31st Mar'25 is as follows :

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed trade receivables - considered good	1,017.88	861.50	39.61	0.25	102.83	-	2,022.06
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) undisputed trade receivables - credit impaired	-	-	-	-	41.27	-	41.27
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Less : Allowance for doubtful trade receivables	-	-	-	-	(41.27)	-	(41.27)
Total	**1,017.88**	**861.50**	**39.61**	**0.25**	**102.83**	**-**	**2,022.06**

(₹ in lakhs except otherwise stated)

Ageing for trade receivables outstanding as on 31st Mar'24 is as follows :

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed trade receivables - considered good	757.15	567.81	23.12	7.42	169.17	-	1,524.67
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) undisputed trade receivables - credit impaired	-	-	-		14.55	-	14.55
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Less : Allowance for doubtful trade receivables	-	-	-	-	(14.55)	-	(14.55)
Total	**757.15**	**567.81**	**23.12**	**7.42**	**169.17**	**-**	**1,524.67**

41 Ageing Schedule for Trade Payables

Ageing for trade Payables outstanding as on 31st Mar'25 is as follows :

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 yr	1 -2 yrs	2-3 yrs	More than 3 yrs.	Total
I) MSME	90.40	-	-	-	-	90.40
II) Others	240.06	6.84	145.40	53.04	6.89	452.22
III) Disputed dues - MSME						-
IV) Disputed dues - Others						-
Accrued expenses						-
Total	**330.46**	**6.84**	**145.40**	**53.04**	**6.89**	**542.62**

Ageing for trade Payables outstanding as on 31st Mar'24 is as follows :

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 yr	1 -2 yrs	2-3 yrs	More than 3 yrs.	Total
I) MSME	18.87	-	-	-	-	18.87
II) Others	289.66	288.11	9.51	9.23	3.37	599.87
III) Disputed dues - MSME						-
IV) Disputed dues - Others						-
Accrued expenses						-
Total	**308.53**	**288.11**	**9.51**	**9.23**	**3.37**	**618.75**

(₹ in lakhs except otherwise stated)

42 Ageing Schedule for Capital Work in Progress

Ageing for CWIP as on 31st Mar'25 is as follows :

Particulars	Amount in CWIP for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Projects in progress	30.27				30.27
ii) Projects temporarily suspended	-				-
Total	**30.27**	**-**	**-**	**-**	**30.27**

Ageing for CWIP as on 31st Mar'24 is as follows :

Particulars	Amount in CWIP for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Projects in progress	17.05				17.05
ii) Projects temporarily suspended	-				-
Total	**17.05**	**-**	**-**	**-**	**17.05**

43 Additional regulatory information not disclosed elsewhere in the financial information

A The Company 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 has no transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

C The Company have 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

D The Company have 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,

E The Company have 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).

F The Company have not traded or invested in Crypto currency or Virtual Currency during the current or previous year.

G The Company have 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.

H 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.

(₹ in lakhs except otherwise stated)

44 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31st March, 2025, the Company has only one class of equity shares and has no other long term borrowings. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

(Refer Note no. 38 for Debt/Equity ratio)

45	Tax Reconciliation	2024-2025 (₹ In lakhs)	2023-2024 (₹ In lakhs)
(a)	The income tax expense consists of the followings:		
	Particulars		
	Current Income Tax*	225.88	71.64
	Deferred Tax Expense	(70.35)	285.46
	Short/Excess provision of Tax of earlier year	-	-
	Tax expense for the year	**155.52**	**357.10**
(b)	Reconciliation of tax expense and the accounting profit multiplied by India's tax Rate		
	Profit before income tax expense	758.39	510.03
	Indian statutory income tax rate	25.17%	27.82%
	Expected Income Tax expenses	190.87	141.89
	Part A		
	Effect of expenses that are not deductible in determining taxable profit	35.01	(16.81)
	Short/Excess Provision of Tax of earlier years		(53.44)
	Current Tax (A)	**225.88**	**71.64**
	Part B		
	Deferred Tax rate	25.17%	25.17%
	Written Down Value Of Property Plant & Equipment	(50.33)	277.57
	Investments at Fair Value	(40.10)	17.08
	Less:		
	Gratuity	(15.91)	5.53
	Provision for Expected Credit Loss	(4.16)	3.66
	Deferred Tax (B)	**(70.35)**	**285.46**
	Tax Expense (A+B)	**155.52**	**357.10**
	*In FY 2023–24, there has been no change in the Income tax Impacts due to the scheme, However in FY 2024-25 Income Tax provisions is calculated upon income after the effect of Scheme.		

46	Contingent Liabilities	As at 31/03/2025 (₹ In lakhs)	As at 31/03/2024 (₹ In lakhs)
	Contingent Liabilities not provided for :		
	Income tax Matters (TDS)	0.01	0.01

(₹ in lakhs except otherwise stated)

47 Working Capital Facilities

Details of credit facilities from banks:

The Company has sanctioned credit facilities from Bank of India 150 lakhs (i.e cash credit facility - 100.00 lakhs and Bank Guarantee - 50.00 lakhs) The Company has not utilised cash credit facilities at the year end.

Terms of loan

a) The credit facility carries interest rate of Bank Of India, currently 9.81% p.a. (interest payable on monthly rests).

b) The credit facility is secured by : Hypothecation of stocks and bookdebts.

Utilisation of borrowings :

(a) The Company 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 Company with banks or financial institutions in relation to secured borrowings wherever applicable, are in agreement with the books of accounts.

48 Audit Trail

The Ministry of Corporate Affairs (MCA) has issued a notification – Companies (Accounts) Amendment Rules, 2021 which is effective from 1st April, 2023. The amendment requires that every company which uses an accounting software for maintaining its books of account shall use an accounting software where there is feature of recording audit trail of each and every transaction and further creating an edit log of each change made to the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses an accounting software for maintaining books of account which has a feature of recording audit trail and edit log facility and that has been operative throughout the financial year for the transactions recorded in the software impacting books of account at the application level. The software being managed on public cloud, users do not have access to enable, disable, deactivate or tamper with the audit trail setting.

The Company also uses software for payroll application and employee reimbursement. In both the software there is a feature of audit log for recording audit trail and the same cannot be disabled or modified.

The audit trail feature is not enabled at the database level in respect of these software.

49 Events occurring After Balance sheet date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and / or reporting of any of these events and transactions in the financial statements. Pursuant to the Composite Scheme of Arrangement approved by the Hon'ble NCLT on April 7, 2025 Further the Company has filed the certified copy of the said order with the Registrar of Companies on 3rd May 2025. These events, occurring after the reporting date but before the approval of the financial statements, have been Adjustred and Disclosed in accordance with Ind AS 110.

50 Accouting Treatment as per IND AS 103 - Business Combination

Pursuant to the Composite Scheme of Arrangement the following transactions related to CCSL were effected:

Demerger of (WT) and (CC)Undertaking of CCL and transfered to CCSL

The Water Technologies (WT) and Construction Chemicals (CC) business undertaking of Chembond Material Technologies Limited ("the Demerged Company" formarly known as Chembond Chemicals Limited) was demerged and transferred to Chembond Chemical Specialties Limited ("CCSL" or "the Resulting Company") with effect from the Appointed Date, i.e., 1st April 2024.

Amalgatmation of CCWTL with CCSL

Subsequently, Chembond Clean Water Technologies Limited (CCWTL) was amalgamated with CCSL as part of the same Scheme.

The above transactions has been accounted for as a common control business combination in accordance with Appendix C of Ind AS 103 – Business Combinations, using the pooling of interest method. Accordingly:

(a) The assets, liabilities, and reserves of the CC&WT Business of CCL and of CCWTL have been transferred to and vested in CCSL at their respective carrying values.

(₹ in lakhs except otherwise stated)

(b) The standalone financial statements for the year ended 31st March 2025 includes the merged financial figures of the CC&WT Business and CCWTL for the relevant period as per the method of accounting prescribed in the Scheme and in accordance with principles of Indian Accounting Standards, including IND AS 103 (Business Combinations).

(c) The comparative figures for the year ended 31st March 2024, have been restated to include the corresponding financial results of the CC&WT Business and CCWTL for those periods, to ensure comparability.

51 Composite scheme of arrangement:

Chembond Chemicals Limited (Demerged Company / CCL), Chembond Chemical Specialties Limited ("Resulting Company"/ CCSL / Company), Chembond Clean Water Technologies Limited (CCWTL), Chembond Material Technologies Private Limited (CMTPL), Phiroze Sethna Private Limited (PSPL) and Gramos Chemicals India Private Limited (GCIPL) and their respective shareholders have entered into a Composite Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 ("Scheme") which contemplates Amalgamation of CMTPL, PSPL and GCIPL with CCL, demerger of "Construction Chemicals and Water Technologies chemicals" business from CCL to CCSL and amalgamation of CCWTL into CCSL, as on the Appointed Date of 1st April, 2024. The said Scheme was approved by the National Company Law Tribunal, Mumbai Bench ("NCLT") on 7th April, 2025 and the Company has received the certified order copy on 22nd April 2025. The Company has filed the certified copy of the said order with the Registrar of Companies for CCL, CCSL, CMTPL, PSPL, GCIPL and CCWTL on 29/04/2025, 30/04/2025, 01/05/2025, 01/05/2025, 02/05/2025 and 03/05/2025 respectively, as such the Scheme has become effective from the respective dates for all the companies involved in the Scheme.

Upon demerger, the Resulting Company is required to issue its equity shares to each shareholder of the Demerged Company as on record date in 1:2 swap ratio (i.e., for every 1 equity share held in Demerged Company, two shares of ₹ 5/- each will be issued by the Resulting Company). The said allotment of 2,68,96,576 shares has been approved by the Allotment Committee of CCSL on 13/05/2025 and the equity shares were allotted to the shareholders in the said ratio.

52 The company has evaluated the option permitted under section 115BAA of the Income Tax Act, 1961 (the "Act") as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has presently decided to opt for tax structure prescribed under Section 115BAA of the Income Tax Act, 1961 in current year.

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

As per our attached report of even date

For S H B A & CO LLP
(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
FRN - 101046W/W100063

Jatin A. Thakkar
Partner
Membership No. : 134767

Mumbai, 30th May 2025

On behalf of the Board of Directors

Nirmal V. Shah
Director
DIN: 00083853

Sameer V. Shah
Director
DIN: 00105721

Prachi Mahadik
Chief Financial Officer

Kiran Mukadam
Company Secretary

Mumbai, 30th May 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of

Chembond Chemical Specialties Limited

Report on the Audit of the Consolidated Financial Statements:

Opinion

We have audited the consolidated financial statements of Chembond Chemical Specialties Limited ("the Parent ") and its subsidiaries and associate company listed in Annexure - A (the Parent, its subsidiaries, step down subsidiaries and step down associate together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March 2025, the consolidated statement of Profit and Loss (Including Other comprehensive Income), the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 as amended) Rules, 2015 and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31st March 2025, of its consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year then 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 Consolidated Financial Statements section of our report.

We are independent of the Parent 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 consolidated 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 on the Consolidated Financial Statements.

Emphasis of Matter

1. We draw attention to Note 52 & 53 to the Statement, regarding the Composite Scheme of Arrangement for amalgamation and demerger (the "Scheme") whereby Chembond Clean Water Technologies Limited (CCWTL) is amalgamated with the Parent and "Construction Chemicals and Water Technologies Chemicals" business of Chembond Material Technologies Limited (CMTL) (formerly known as Chembond Chemicals Limited) was demerged from the CMTL and merged into the Parent as on the appointed date of 1st April, 2024. The Hon'ble National Company Law Tribunal (the NCLT) has approved the Scheme vide its Order dated 7th April, 2025 and the said Order was filed with the Ministry of Corporate Affairs (MCA) by the Parent and other companies involved in the Scheme on various dates as reported in Note 53 to the Consolidated Financial Statements.

   In accordance with the Scheme approved by the NCLT, the Parent has given effect to the scheme from appointed date specified therein i.e. 1st April, 2024, and accordingly, as required under IND AS - 103 the comparative financial information of the Parent forming part of the Statement for the periods beginning from 1st April, 2023 have been restated. Our opinion on the Statement is not modified in respect of these matters.

   Our report on the Statement is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
Composite Scheme of Arrangement: **Accounting for the effects of the composite scheme of arrangement in respect of merger & subsequent demerger:** (Refer to Note 52 and Note 53 in the Standalone financial statements) The Parent has entered into a Composite Scheme of Arrangement ("the scheme") for merger of Chembond Clean Water Technologies Limited (CCWTL) with the Parent and subsequent demerger of Water Treatment & Construction Chemicals undertaking of the Chemond Material Technologies Limited (CMTL) erstwhile Chembond Chemicals Limited and transferred into the Parent. The Scheme has been approved by the National Company Law Tribunal Mumbai Bench (‹NCLT) vide order dated 7th April 2025. This is a key audit matter as the scheme has a pervasive impact on the Consolidated financial statements of the Parent. The Parent has accounted for merger and demerger in its books as per the Composite Scheme of arrangement as approved by the NCLT.	a) Obtained and reviewed the Composite Scheme of Arrangement and documents filed by the Parent with the Registrar of Companies, including the Order of the Hon'ble NCLT, Mumbai Bench, approving the Composite Scheme of Arrangement. b) Read and obtained an understanding of the Composite Scheme of Arrangement approved by the National Company Law Tribunal. c) Tested the management prepared workings relating to the merger and demerger, including the restatement of comparative figures for the previous year, in accordance with the pooling of interest method as prescribed under Appendix C of Ind AS 103. d) Obtained and reviewed the report issued by merchant banker opining on the fair share entitlement ratio. e) Verified the workings for the transfer of assets and liabilities pertaining to the demerged undertakings, ensuring consistency with the approved Scheme, applicable accounting standards and Standalone financial statements of CMTL. f) Evaluated the accounting treatment adopted by the Parent in respect of the Scheme for compliance with the requirements of Ind AS 103 and other relevant Indian Accounting Standards. g) Assessed the adequacy and appropriateness of disclosures made in the Consolidated financial statements to ensure compliance with applicable presentation and disclosure requirements. h) Evaluated the design and tested the operating effectiveness of the controls over the accounting for business combination.

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

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders Information but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity 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 entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Parent has an 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 Parent'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 consolidated 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 Parent to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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

Other Matters

a) We did not audit the financial statements of one step down associate company i.e. (Rewasoft Solutions Private Limited) that is included in the Consolidated Financial Results, whose financial results, without giving effect to elimination of intra-group transactions, reflect total profit after tax of Rs. 2.86 lakhs and Rs. 1.13 lakhs for the quarter and year ended March 31, 2025, respectively and total comprehensive income of Rs. 2.86 lakhs and Rs. 1.13 lakhs for the quarter and year ended March 31, 2025, respectively, as considered in the Statement. These financial statements have been audited by the other auditors, whose reports have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosure included in respect of these subsidiaries and step-down subsidiary is based solely on the reports of the other auditors and the procedures performed by us as stated under the Auditors Responsibilities section above.

b) We did not audit the financial statements of two step down foreign subsidiaries namely Chembond Water Technologies (Malaysia) Sdn. Bhd. & Chembond Water Technologies (Thailand) Limited included in the Consolidated Financial Results, whose financial results, without giving effect to elimination of intra-group transactions, reflect total asset of Rs.387.64 lakhs as at March 31, 2025, total revenue from operations of Rs. 112.02 lakhs and Rs. 445.38 lakhs for the quarter and year ended March 31, 2025, respectively, total profit after tax of Rs. 13.53 lakhs and Rs. 105.25 lakhs for the quarter and year ended March 31, 2025, respectively, total comprehensive income of Rs. 13.53 lakhs and Rs. 105.25 lakhs for the quarter and year ended March 31, 2025, respectively, as considered in the Consolidated Financial Statement. These financial statements have been audited by the other auditors, whose report have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosure included in respect of this subsidy is based solely on the report of the other auditors and the procedures performed by us as stated under the Auditors Responsibilities to section above.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated financial statements.

   b. In our opinion proper books of account as required by law relating to preparation of the consolidated financial statements have been kept by the Parent so far as it appears from our examination of those books *except for the matters stated in 2(vi) below*.

   c. The consolidated Balance Sheet, the consolidated statement of Profit and Loss including Other Comprehensive Income, the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors of the Parent, its subsidiaries Step down subsidiaries and step down associates, incorporated in India and the reports of the statutory auditors of those companies, none of the directors of the Group is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164 (2) of the Act;

   f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in paragraph 1(b) above on reporting under section 143(3)(b) of the Act and paragraph 2(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

   g. With respect to the adequacy of the internal financial controls over financial reporting of the Parent and the operating effectiveness of such controls, refer to our separate report in “**Annexure - B**”.

2. 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. the consolidated financial statements disclose impact of pending litigations on the financial position of the Group. – Refer Note no. 45 to the consolidated financial statements;

   ii. the Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

iv. a. The respective managements of the Parent and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, as disclosed in Note no. 49(C) to the consolidated financial statements, 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 Parent or its subsidiary companies, to or in any persons or entities, including foreign entities ('the 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 Parent, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Parent and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note no. 49(D) to the accompanying consolidated financial statements, no funds have been received by the Parent or its subsidiary companies, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Parent, or any such subsidiary companies, 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; and

c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The dividend declared and paid during the year by the Parent and its Indian subsidiaries is in compliance with Section 123 of the Act.

vi. Based on our examination which included test checks, the Group has used accounting software, a payroll application and employee reimbursement software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software / application. However, audit trail feature is not enabled at the database level for accounting software to log any direct data changes as described in note no. 50 to the financial statements.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved in accordance with the requirements of section 128(5) of the Companies Act, 2013 for record retention.

3. 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 and the reports of the statutory auditors of its subsidiaries incorporated in India, the Parent and its subsidiaries where applicable has paid and / or provided remuneration to its directors during the year ended 31st March, 2025 in accordance with the provisions of Section 197 of the Act.

4. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us and auditors of the respective companies included in the consolidated financial statements of the Parent, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For S H B A & CO LLP
(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
Firm Registration No. 101046W / W100063

Jatin A. Thakkar
Partner
Membership No.: 134767
UDIN: 25134767BMJEVH3637

Place: Mumbai
Date: 30th May 2025

Annexure - A List of Subsidiaries & Associate included in the Consolidated Financial Statements

Sr. No.	Name of the entity	Relationship
1.	Chembond Water Technologies Limited	Subsidiary Company
2.	Chembond Calvatis Industrial Hygiene Systems Limited	Subsidiary Company
3.	Chembond Distribution Limited	Subsidiary Company
4.	Chembond Water Technologies (Malaysia) Sdn. Bhd.	Step down Foreign Subsidiary Company
5.	Chembond Water Technologies (Thailand) Limited	Step down Foreign Subsidiary Company
6.	Rewasoft Solutions Private Limited	Step down Associate Company

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31st March 2025)

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")

In conjunction with our audit of the consolidated financial statements of the Parent for the year ended 31st March 2025, we have audited the internal financial controls over financial reporting of Chembond Chemical Specialties Limited ("the Parent") and its subsidiaries which are incorporated in India as of 31st March, 2025.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Parent and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent.

Meaning of Internal Financial Controls over Financial Reporting

A Parent'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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Parent'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 parent; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the parent are being made only in accordance with authorisations of management and directors of the parent; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the parent's assets that could have a material effect on the consolidated 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 and to the best of our information and according to the explanations given to us, the Parent and its subsidiaries incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025, based on the internal control over financial reporting criteria established by the Parent and its subsidiaries incorporated in India 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.

For S H B A & CO LLP

(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
Firm Registration No. 101046W / W100063

Jatin A. Thakkar
Partner
Membership No.: 134767

Place: Mumbai
Date: 30th May 2025

Consolidated Balance Sheet as at 31st March,2025

(₹ in lakhs except otherwise stated)

Particulars	Notes	As at 31/03/2025	As at 31/03/2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	2,081.20	2,135.73
(b) Capital work-in-progress	2	30.27	17.05
(c) Other Intangible Assets	2	26.73	42.00
(d) Financial Assets			
i) Investments	3	2.01	2.01
ii) Other financial assets	4	680.81	503.83
(e) Deferred tax Assets (net)	5	261.42	312.45
(f) Income tax asset (net)	6	243.05	102.09
(f) Other non-current assets	7	0.52	3.78
Total Non-current assets		**3,326.01**	**3,118.94**
Current Assets			
(a) Inventories	8	1,825.90	1,733.66
(b) Financial Assets			
i) Investments	9	3,543.99	2,730.75
ii) Trade receivables	10	10,035.61	7,718.54
iii) Cash and cash equivalents	11	710.21	650.72
iv) Bank balances other than (iii) above	12	1,875.34	2,059.20
v) Loans	13	2.66	2.49
vi) Other financial assets	14	112.76	102.75
(c) Other current assets	15	25.49	17.67
(d) Other current assets	16	154.32	168.11
Total current assets		**18,286.28**	**15,183.89**
Total Assets	**Total**	**21,612.29**	**18,302.83**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	-	-
(b) Equity Shares pending allotment (upon merger)	17	1,344.83	1,344.83
(c) Other equity	18	16,076.29	13,005.22
		17,421.12	**14,350.05**
(d) Non Controlling interest	19	61.28	73.36
Total Equity		**17,482.40**	**14,423.41**
Liabilities			
1) Non-Current Liabilities			
(a) Provisions	20	29.81	16.38
(b) Deferred tax liabilities (net)	21	194.10	253.63
(c) Other non-current liabilities	22	101.52	96.03
Total Non-current liabilities		**325.43**	**366.04**
2) Current liabilities			
(a) Financial liabilities			
i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	23	625.03	153.16
Total outstanding dues of creditors other than micro enterprises and small enterprises	23	2,080.39	2,558.31
(b) Other current liabilities	24	919.75	746.04
(c) Provisions	25	75.48	55.87
(d) Current Tax Liabilites (Net)	26	103.79	-
Total current liabilities		**3,804.44**	**3,513.38**
Total Equity & Liabilities	**Total**	**21,612.29**	**18,302.83**
Material Accounting Policies, key accounting estimates and judgements and notes on financial statements.	1-55		

As per our attached report of even date
For S H B A & CO LLP
(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
FRN - 101046W/W100063

Jatin A. Thakkar
Partner
Membership No. : 134767

Mumbai, 30th May 2025

On behalf of the Board of Directors

Nirmal V. Shah
Director
DIN: 00083853

Sameer V. Shah
Director
DIN: 00105721

Prachi Mahadik
Chief Financial Officer

Kiran Mukadam
Company Secretary

Mumbai, 30th May 2025

Consolidated Statement of Profit and Loss for the year ended 31st March 2025

(₹ in lakhs except otherwise stated)

Particulars	Notes	2024-2025	2023-2024
Revenue From Operations	27	29,227.34	28,323.95
Other Income	28	582.98	370.43
Total Revenue		29,810.32	28,694.38
Expenses :			
Cost of Materials Consumed	29	11,147.37	9,861.08
Purchases of Stock-in-trade	30	3,216.95	3,739.50
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	31	(19.64)	57.67
Employee Benefits Expense	32	5,187.44	4,744.46
Finance Costs	33	66.76	59.36
Depreciation and Amortisation expense	34	493.26	261.19
Other Expenses	35	5,501.21	5,726.33
Total Expenses		25,593.35	24,449.59
Profit before share of profit/(Loss) of an associate and exceptional items		4,216.98	4,244.79
Share of Profit/(Loss) of Step Down Associate		0.45	0.50
Profit before Exceptional items and Tax		4,217.43	4,245.29
Exceptional Items		-	-
Profit before Tax		4,217.43	4,245.29
Tax Expense			
Current Tax		1,191.31	1,157.65
Deferred Tax		(65.78)	85.36
Total Tax Expense		**1,125.53**	**1,243.01**
Profit for the Year		3,091.90	3,002.28
Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss		(27.83)	(18.28)
ii) Income Tax relating to items that will not be reclassified to profit or loss		7.00	4.55
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		**(20.83)**	**(13.73)**
Total Comprehensive Income		**3,071.08**	**2,988.56**
Profit attributable to:			
Owners of the Company		3,104.23	3,011.18
Non Controlling Interests		(12.33)	(8.89)
Other Comprehensive Income attributable to-			
Owners of the Company		(21.09)	(14.00)
Non Controlling Interests		0.26	0.27
Total Comprehensive Income attributable to-			
Owners of the Company		3,083.15	2,997.18
Non Controlling Interests		(12.07)	(8.61)
Earning Per Equity Share of Face Value of Rs. 5 each	36		
Basic (in ₹)		11.54	11.20
Diluted (in ₹)		11.54	11.20
Material Accounting Policies, key accounting estimates and judgements and notes on financial statements.	1-54		

As per our attached report of even date
For S H B A & CO LLP
(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
FRN - 101046W/W100063

Jatin A. Thakkar
Partner
Membership No. : 134767

Mumbai, 30th May 2025

On behalf of the Board of Directors

Nirmal V. Shah
Director
DIN: 00083853

Sameer V. Shah
Director
DIN: 00105721

Prachi Mahadik
Chief Financial Officer

Kiran Mukadam
Company Secretary

Mumbai, 30th May 2025

Consolidated Statement of Changes in Equity for the year ended 31st march 2025

(₹ in lakhs except otherwise stated)

(a) Equity share capital

Particulars	No. of Shares	(Rs. In lakhs)
Balance as at 31 March 2023	-	-
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 (pending allotment) during the current year : (Refer note no. 52 & 53)	2,68,96,576	1,344.83
Balance as at 31 March 2024	**2,68,96,576**	**1,344.83**
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 at 31 March 2025	**2,68,96,576**	**1,344.83**

(b) Other Equity

Particulars	Reserves and Surplus				Items of other Comprehensive Income	Total other equity
	Capital Reserves	General Reserve	Share Premium	Retained earnings	Remeasurements of the net defined benefit Plans	
Balance as at 31st March 2023	**-**	**-**	**-**	**-**	**-**	**-**
Profit for the year			-	3,002.28	-	3,002.28
Addition during the year	827.81	971.22	38.70	14,192.76	10.45	16,040.93
Less: Effect pursuant to the Composite Scheme of Arrangement (Refer Note 52 & 53)	-	-	-	(4,904.67)	-	(4,904.67)
Less: Demerger Effect CCWTL, CWTL	-	-	-	(1,119.59)	-	(1,119.59)
Other comprehensive income for the year	-	-	-		(13.73)	(13.73)
Total comprehensive income for the year	**827.81**	**971.22**	**38.70**	**16,075.44**	**(3.28)**	**13,005.22**
Balance as at 31st March 2024	**827.81**	**971.22**	**38.70**	**16,075.44**	**(3.28)**	**13,005.22**
Profit for the year	-	-	-	3,091.64	-	3,091.64
Other comprehensive income for the year	-	-	-	-	(20.57)	(20.57)
Total comprehensive income for the year		**-**	**-**	**3,091.64**	**(20.57)**	**3,071.07**
Balance as at 31st March 2025	**827.81**	**971.22**	**38.70**	**19,167.08**	**(23.85)**	**16,076.29**

As per our attached report of even date
For S H B A & CO LLP
(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
FRN - 101046W/W100063

Jatin A. Thakkar
Partner
Membership No. : 134767

Mumbai, 30th May 2025

On behalf of the Board of Directors

Nirmal V. Shah
Director
DIN: 00083853

Sameer V. Shah
Director
DIN: 00105721

Prachi Mahadik
Chief Financial Officer

Kiran Mukadam
Company Secretary

Mumbai, 30th May 2025

Consolidated Cash Flow Statement for the year ended 31st March 2025

(₹ in lakhs except otherwise stated)

	Particulars	2024-25		2023-24	
A	**Cash Flow from Operating Activities**				
	Profit before tax		4,216.98		4,244.81
	Adjustments for :				
	Depreciation and amortisation	493.26		261.19	
	Finance Cost	66.76		59.35	
	Foreign Exchange Fluctuation Loss	40.39	600.41	32.14	352.68
	Less :				
	Foreign Exchange Fluctuation Gain	16.35		4.24	
	Net Gain on sale of Investments	67.71		62.00	
	Fair valuation of Investments (Net)	185.83		141.96	
	Interest from fixed depsoits and loans at effective interest rate	163.13		112.01	
	Gain from sale of property plant & equipment	13.28			
	Rent Income	5.65		5.17	
			(451.96)		(325.38)
	Operating Profit before working capital changes		4,365.43		4,272.11
	Adjustments for :				
	Trade and Other Receivables	(2,425.11)		(10,586.60)	
	Inventories	(92.24)		(1,733.66)	
	Trade and Other Payables	250.45		3,625.79	
			(2,266.89)		(8,694.46)
	Cash generated from operations		2,098.53		(4,422.36)
	Income taxes paid (Net of Refund)		(1,125.53)		(1,139.99)
	Net Cash from Operating Activities (A)		**973.00**		**(5,562.34)**
B	**Cash Flow from Investing Activities**				
	Payment to acquire Property, plant & equipments		(457.99)		(1,981.64)
	Gain from sale of Property plant & Equipment				
	Proceeeds from Sale of Property, plant & equipments		15.43		
	Purchase of Investments		(979.99)		(1,818.42)
	Sale of Investments		407.00		546.38
	Dividend Income		-		
	Interest from fixed depsoits and loans at effective interest rate		163.13		112.01
	Effect of Merger				7,975.48
	Rent Income		5.65		5.17
	Net Cash used in Investing Activities (B)		**(846.76)**		**4,838.98**

C	**Cash Flow from Financing Activites**		
	Share capital issued upon Merger (pending allotment)	-	1,344.83
	Finance Cost	(66.76)	(59.35)
	Net Cash from Financing Activities (C)	**(66.76)**	**1,285.48**
			562.12
	Net (Decrease)/Increase in Cash & Cash Activities (A+B+C)	59.48	562.12
	Cash and Cash Equivalents from Merger/Demerger Effect	650.72	-
	Cash and Cash Equivalents as on Opening	-	88.60
	Cash and Cash Equivalents as on Closing	**710.21**	**650.72**

Components of Cash and Bank balance:

Particulars	For the Year ended 31 March 2025	For the Year ended 31 March 2024
1) Cash & Cash Equivalents:		
Cash on hand	0.03	0.11
Balances with banks:		
- in current accounts	710.18	650.61
Total	**710.21**	**650.72**

2) The above cashflow statement has been prepared under the indirect method as set out in the IND-AS 7, "Cash Flow Statements.

As per our attached report of even date
For S H B A & CO LLP
(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
FRN - 101046W/W100063

Jatin A. Thakkar
Partner
Membership No. : 134767

Mumbai, 30th May 2025

On behalf of the Board of Directors

Nirmal V. Shah
Director
DIN: 00083853

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Director
DIN: 00105721

Prachi Mahadik
Chief Financial Officer

Kiran Mukadam
Company Secretary

Mumbai, 30th May 2025

Notes to the Consolidated Financial Statements For the year ended March 31, 2025

COMPANY INFORMATION

Chembond Chemical Specialties Limited (the Company) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. Its shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Registered office of the Company is situated at Chembond Centre, EL-37, MIDC Mahape, Navi Mumbai -400710, Maharashtra.

These consolidated financial statements comprise the Company and its subsidiaries, Step-Down Subsidiaries and Step-Down Associates (collectively the 'Group' and individually 'Group companies').

The group is engaged in manufacturing of Speciality Chemicals.

1. Basis of Preparation, Material Accounting Policies, Key Accounting estimates and Judgements and Recent Accounting Pronouncements

1.1 Basis of preparation of consolidated financial statements and presentation

The consolidated 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 consolidated Statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

The accounting policies have been applied consistently over all the periods presented in these consolidated 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 consolidated financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated

Basis of consolidation

Subsidiaries are all entities over which the Company has control. Control exist when the company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries has been changed wherever necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Sr. No	Name of Group Companies.	Country of Incorporation	Proportion of ownership interest either directly or through subsidiary
	Direct Subsidiaries		
1.	Chembond Water Technologies Limited (CWTL)	India	100%
2.	Chembond Calvatis Industrial Hygiene Systems Limited (CCIHSL)	India	55.00%
3.	Chembond Distribution Limited (CDL)	India	100%
	Step-Down Subsidiaries		
4.	Chembond Water Technologies (Malaysia) SDN. BHD.	Malaysia	100%
5.	Chembond Water Technologies (Thailand) Limited	Thailand	100%
	Step-Down Associates		
6.	Rewasoft Solutions Private Limited	India	40%

1.2 Summary of Material accounting policies

a) 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 Group and the cost can be measured reliably,

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

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Group 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 derecognized 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 Group 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.

b) 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.

c) Capital Work in Progress & Capital Advances

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) Depreciation and Amortisation

Depreciation on PPE (other than free hold and lease hold land) has been provided based on useful life of the assets in accordance with Schedule II of the Companies Act, 2013, on Written Down Value Method. Freehold land is not depreciated. Leasehold land and leasehold improvements are amortized over the primary period of lease.

Depreciation methods, useful lives and residual value are reviewed at each reporting date and adjusted prospectively, if appropriate.

e) Revenue Recognition

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

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

i. 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 rebates and Goods and service tax (GST).

ii. Revenue from services is recognised pro-rata as and when services are rendered over a specified period of time. The Group collects goods and service tax on behalf of the government and therefore it is not an economic benefit flowing to the Group. Hence it is excluded from the revenue. .

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

iv. Dividend income from investment is recognised when the Company's right to receive is established by the reporting date, which is generally when shareholders approve the dividend.

f) Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

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. Leases 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 finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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 Group 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 Group recognises the lease payments associated with these leases as an expense on a straight-line 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 Group 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 Group 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 Group net investment outstanding in respect of the leases

g) 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.

h) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if event or changes are indicative in circumstances indicate that they might be impaired. Assets that have a definite useful life are tested for impairment whenever events or changes in circumstances that indicate that the carrying amount may not be recoverable. Management periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired. An Impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

i) Financial Instruments

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

a. Financial assets

Classification

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

Initial recognition and measurement

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

Debt instruments

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss.

- Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments

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

De-recognition

A financial asset derecognized only when:

- The rights to receive cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transaction that are within the scope of IND AS 18.- The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b. Financial liabilities

Initial recognition and measurement

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

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

Financial liabilities at fair value through profit and loss

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

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

Derecognition

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

c. Hedge accounting

Forward exchange contracts entered to hedge highly probable forecast revenues are recorded using the principles of hedge accounting as per Ind AS 109.Such forward exchange contracts which qualify for cash flow hedge accounting and where the conditions of Ind AS 109 have been met are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognized directly under shareholder's funds in the cash flow hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value of cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge accounting is discontinued when the hedging instrument expires or is sold or terminated or exercised or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholder's funds is transferred to statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholder's funds is transferred to the statement of profit and loss.

j) Fair Value Measurement

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

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

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

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

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

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

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

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

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

k) Foreign Currency Transactions and Translation:

Transactions in foreign currencies entered into by the Group 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.

l) Trade Receivables

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

m) Trade Payables

These amounts represent liabilities for goods and services provided to the Group 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.

n) Income Taxes

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 settles its current tax assets and liabilities on a net basis.

o) Cash and Cash Equivalents

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

p) Employee Benefits

- **Short term Employee Benefits**

  All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Group 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 Group 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 Group 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 Group makes specified monthly contributions towards Employee Provident Fund scheme in accordance with the statutory provisions

Gratuity scheme

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

Pension Scheme:

The Group 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 Group 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 Group does not allow encashment of leave Balance.

q) Research and Development

Revenue expenditure on Research and Development is charged to Profit and Loss Account as incurred. Capital expenditure on assets acquired for Research and Development is added to PPE and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

r) Borrowing Cost

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

s) 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.

t) Current / Non-Current Classification:

The Group 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 Group classifies all their 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 Group has identified twelve months as its normal operating cycle.

u) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

(a) the Group has a present obligation as a result of a past event;

(b) a probable outflow of resources is expected to settle the obligation; and

(c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of

(a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

(b) a present obligation when no reliable estimate is possible; and

(c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognised, nor disclosed.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each balance Sheet date.

v) Dividend

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act,2013 in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.3 Key accounting estimates and judgements

The preparation of the Company's consolidated 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.

The areas involving critical estimates or judgements are:

a. Property Plant & Equipment - Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

b. Provisions - Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

c. Taxes - Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could change if estimates of future taxable income changes in the future.

d. Defined Benefit Obligations - The cost of defined benefit gratuity plans, and post-retirement medical benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.4 Recent Accounting Pronouncements

i. The Group has applied the following amendments for the first time for their annual reporting period commencing April 1, 2024 :

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind As 116 – Leases , relating to sale and lease back transactions, applicable from April 1, 2024. The Group has assessed that there is no significant impact on its financial statements"

ii. New Standards/Amendments notified but not yet effective:

Ind AS 21- Effects of Changes in Foreign Exchange

These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025.

2. Property, plant and equipment, Intangibles and Capital work in progress as at 31st March 2025

(₹ in lakhs except otherwise stated)

Description	GROSS BLOCK (AT COST)				DEPRECIATION INCLUDING AMORTISATION				NET BLOCK	
	As at 01.04.2024	Additions	Deductions	As at 31.03.2025	As at 01.04.2024	Additions	Deductions	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Property, plant and equipment										
Tangible Assets										
Leasehold Land	32.90	-	-	32.90	3.12	1.04	-	4.16	28.74	32.90
Freehold Land	83.84	-	-	83.84	-	-	-	-	83.84	80.72
Buildings	1,665.28	-	-	1,665.28	394.12	151.71	-	545.83	1,119.45	1,271.15
Equipment & Machinery	1,492.57	258.10	0.26	1,750.41	826.87	284.23	0.37	1,110.72	639.69	664.54
Computers Hardware	117.91	20.50	0.00	138.41	94.47	14.50	0.00	108.97	29.44	23.82
Furniture & Fixtures	91.25	0.25	-	91.50	70.41	6.48	-	76.89	14.62	20.84
Electric Fittings & Installations	90.79	2.35	-	93.14	57.75	9.62	-	67.37	25.77	33.20
Vehicle	45.09	144.43	-	189.52	38.38	11.47	-	49.86	139.66	8.55
Sub- total	**3,619.62**	**425.64**	**0.26**	**4,045.00**	**1,485.13**	**479.05**	**0.37**	**1,963.80**	**2,081.20**	**2,135.73**
Intangible Assets										
Computer Software	96.76	0.42	-	97.18	55.79	14.74	0.08	70.45	26.73	42.00
Sub- total	**96.76**	**0.42**	**-**	**97.18**	**55.79**	**14.74**	**0.08**	**70.45**	**26.73**	**42.00**
Total	**3,716.38**	**426.06**	**0.26**	**4,142.18**	**1,540.92**	**493.78**	**0.45**	**2,034.25**	**2,107.93**	**2,177.73**
Previous Year	**3,382.73**	**377.68**	**8.16**	**3,752.26**	**1,297.97**	**281.08**	**4.53**	**1,574.53**	**2,177.73**	
Captial Work in Progress									30.27	

(i) Previous year figures have been regrouped and reclassified wherever necessary

(ii) Pursuant to the composite scheme of arrangement, the Parent Company is in the process of transferring the title deeds and lease agreements of the Property, Plant & Equipment in the name of the Parent Company.

Property, plant and equipment, Intangibles and Capital work in progress as at 31st March 2024

Description	GROSS BLOCK (AT COST)				DEPRECIATION INCLUDING AMORTISATION				NET BLOCK	
	As at 01.04.2023	Additions	Disposal, Transfer & Adjustments	As at 31.03.2024	As at 01.04.2023	Additions for the Year	Disposal, Transfer & Adjustments	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Property, plant and equipment										
Tangible Assets										
Leasehold Land	32.90	-	-	32.90	-	-	-	-	32.90	-
Freehold Land	83.84	-	-	83.84	2.77	0.35	-	3.12	80.72	-
Buildings	1,499.27	166.01	-	1,665.28	341.41	52.72	-	394.12	1,271.15	-
Equipment & Machinery	1,328.28	172.72	7.04	1,493.96	629.45	203.35	3.38	829.41	664.54	-
Computers Hardware	107.83	13.19	1.12	119.90	85.13	12.03	1.08	96.08	23.82	-
Furniture & Fixtures	91.25	-	-	91.25	68.63	1.78	-	70.41	20.84	-
Electric Fittings & Installations	81.35	11.27	-	92.62	54.48	4.99	0.06	59.41	33.20	-
Vehicle	65.44	-	-	65.44	56.89	-	-	56.89	8.55	-
Sub- total	**3,290.15**	**363.18**	**8.16**	**3,645.17**	**1,238.75**	**275.22**	**4.53**	**1,509.44**	**2,135.73**	**-**
Intangible Assets										
Computer Software	92.58	14.50	-	107.09	59.22	5.86	-	65.08	42.00	-
Sub- total	**92.58**	**14.50**	**-**	**107.09**	**59.22**	**5.86**	**-**	**65.08**	**42.00**	**-**
Total	**3,382.73**	**377.68**	**8.16**	**3,752.26**	**1,297.97**	**281.08**	**4.53**	**1,574.53**	**2,177.73**	**-**
Captial Work in Progress		-	-	-	-	-	-	-	17.05	

(₹ in lakhs except otherwise stated)

		As at 31/03/2025	As at 31/03/2024
3	**Financial Assets (Non-Current)**		
	Investments		
	Investment in equity instruments of subsidiaries amortised at cost		
	Unquoted		
	20000 (20000) Equity Share Rewasoft Solutions Private Limited of Rs 10/- each fully paid up	2.00	2.00
		2.00	**2.00**

		As at 31/03/2025	As at 31/03/2024
4	**Other Non- Current Financial Assets**		
	(Unsecured & considered good)		
	Bank Depsits with more than 12 months maturity	675.20	496.00
	Other Deposits	5.61	7.83
	Total	**680.81**	**503.83**

		As at 31/03/2025	As at 31/03/2024
5	**Deferred Tax Asset (Net)**		
	Deferred tax Asset		
	MAT Credit	3.38	3.38
	Other deductible temporary differences	286.78	338.81
	A	**290.16**	**342.19**
	Deferred tax Liability		
	Written down value of Property Plant & Equipment	0.34	18.61
	Investments at Fair Value	28.40	11.13
	B	**28.75**	**29.74**
	Total (A-B)	261.42	312.45

		As at 31/03/2025	As at 31/03/2024
6	**Income tax asset (net)**		
	Advance Income Tax (Net of Provision)	243.05	102.09
	Total	**243.05**	**102.09**

		As at 31/03/2025	As at 31/03/2024
7	**Other non-current assets**		
	Prepaid expenses	0.50	0.31
	Gratuity	0.02	3.47
	Total	**0.52**	**3.78**

		As at 31/03/2025	As at 31/03/2024
8	**Inventories (At lower of Cost or Net Realisable Value)**		
	Raw Materials	737.61	692.85
	Packing Materials	52.97	64.63
	Finished Goods*	590.96	581.02
	Stock-in-Trade**	444.92	381.84
	Work in Progress	34.51	49.82
		1,860.97	1,770.15
	Less: Stock Reserve	(35.08)	(36.50)
	Total	**1,825.90**	**1,733.66**

*Finished goods includes Stock in transit amounting to ₹110.01 lakhs as at 31st March 2025(₹ 203.64 as at 31st March 2024)

**Stock In Trade include Stock in Trade in transit amount to ₹ 7.49 lakhs as at 31st March 2025(₹ 10.81 Lakhs as at 31st March 2024)

(₹ in lakhs except otherwise stated)

9	Investments (Current)	As at 31/03/2025	As at 31/03/2024
	Investments in Equity Shares carried at fair value through Profit and Loss Quoted	-	
	Investments in Mutual Funds carried at fair value through Profit and Loss		
	7106.03 (Nil) Units ICICI Pru Equity & Debt Fund (G)	26.20	-
	10,03,202.52 (7,63,999.11) Units ICICI Pru Gilt Fund (G)	1,011.25	442.48
	1,63,148.83 (1,53,438.57) Units HDFC Balanced Advantage Fund - Regular Plan - Growth	796.90	783.14
	17,21,312.32 (14,63,712.75) Units of Kotak Balanced AF Reglular Gr	284.09	474.16
	10,402.402 (8,693.14) Units of Kotak Liquid Regular Growth	540.06	255.63
	7,903.1540 (39,108.63) Units of ICICI Prudential Liquid Fund - Growth	30.06	344.91
	5,90,242.2750 (5,90,242.2750) Units ICICI Prudential Balanced Advantage Fund	409.39	380.41
	22,613.12 (14,478.92) Units ICICI Pru Money Market Fund Reg (G)	84.18	50.03
	3,25,900.11 (Nil) Units Kotak Gilt Investement (G)	361.86	-
	Total	**3,543.99**	**2,730.75**
	Aggregate Market Value of Quoted Investments	3,543.99	2,730.75
	Aggregate amount of Quoted Investments at cost	3,216.17	2,588.79

10	Trade Receivables	As at 31/03/2025	As at 31/03/2024
	(a) Trade receivables considered good - Secured		
	(b) Trade receivables considered good - UnSecured		
	(i) Considered Good	10,035.61	7,718.54
	(ii) Credit Impaired	1,133.65	1,106.47
	Total	**11,169.26**	**8,825.01**
	(c)Trade Receivables which have significant increase in Credit Risk		
	Less - Impairment Loss allowance (Refer note 10 III)	(1,133.65)	(1,106.47)
	Total	**10,035.61**	**7,718.54**
	I For Related party transactions Refer Note No. 41		
	II For Trade Receivables Ageing Schedule Refer Note No. 46		
	III Movement in Credit Impaired		
	Provision at the beginning of the year	1,106.47	319.70
	Add: Provision during the year	27.18	796.86
	Less: Reversal during the year	-	10.09
	Provision at the year end	**1,133.65**	**1,106.47**

11	Cash and Cash equivalents	As at 31/03/2025	As at 31/03/2024
	Balances with banks		
	In Current Accounts	710.18	650.61
	Cash on hand	0.03	0.11
	Total	**710.21**	**650.72**

(₹ in lakhs except otherwise stated)

12	Bank balances other than cash and cash equivalents	As at 31/03/2025	As at 31/03/2024
	Margin money (Including bank deposits with more than 3 months maturity)	1,875.34	2,059.20
	Total	**1,875.34**	**2,059.20**

13	Loans	As at 31/03/2025	As at 31/03/2024
	(Unsecured & considered good)		
	Loan and advance to Employees	2.66	2.49
	Total	**2.66**	**2.49**

14	Other Current Financial Assets	As at 31/03/2025	As at 31/03/2024
	(Unsecured & considered good)		
	Security Deposits	112.76	102.75
	Total	**112.76**	**102.75**

15	Current Tax (Net)	As at 31/03/2025	As at 31/03/2024
	Advance tax (Net of Provision)	25.49	17.67
	Total	**25.49**	**17.67**

16	Other Current Assets	As at 31/03/2025	As at 31/03/2024
	Accrued Interest	-	33.36
	Prepaid expenses	58.69	65.99
	Advances for supply of goods and services	7.50	0.45
	Balances with Government Authorities	24.65	56.89
	Gratuity	4.32	1.17
	Other Current Assets	-	10.25
	Advance to employees	59.15	-
	Total	**154.32**	**168.11**

17	Share Capital	As at 31/03/2025	As at 31/03/2024
	Authorised		
	2,80,10,000 (P.Y 2,80,10,000) Equity Shares of Rs.5/- each	1,400.50	1,400.50
	Issued, Subscribed and Paid up (Pending Allotment upon Demerger) Refer Note No. 52 & 53		
	2,68,96,576 (P.Y 2,68,96,576) Equity Shares of ₹5/- each fully paid up	1,344.83	1,344.83
	Total	**1,344.83**	**1,344.83**

(₹ in lakhs except otherwise stated)

a	Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:	No. of Shares	Paidup Value (₹ In lakhs)
	Balance as at 31 March 2023	-	-
	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 :		
	(a) Equity share capital		
	Equity Shares of ₹ 5/- each issued	10,000	0.50
	Less: Cancellation of Existing Equity Shares of ₹ 5/- each in pursuant to the Composit Scheme of Arrangement (refer note- 52 and 53)	(10,000)	(0.50)
	(b) Share Capital Pending allotment		
	Add: Equity shares of ₹ 5/- each to be issued to share holders of CMTL (Chembond Material Technologies Limited- formarly known as Chembond Chemical Limited) on in pursuant to the Composite Scheme of Arrangement (refer note- 52 and 53)	2,68,96,576	1,345
	Balance as at 31 March 2024	2,68,96,576	1,345
	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 at 31 March 2025	2,68,96,576	1,345

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

Name of the Shareholder	% Held	As at 31/03/2025 No of Shares	% Held	As at 31/3/2024 No of Shares
Nirmal Vinod Shah	13.35%	35,90,380.00	13.35%	35,90,380.00
Sameer Vinod Shah	12.54%	34,00,288.00	12.54%	34,00,288.00
Padma Vinod Shah	12.57%	33,82,200.00	12.57%	33,82,200.00
Visan Holding Pvt. Ltd.	9.75%	26,21,260.00	9.75%	26,21,260.00

c **Disclosure of shareholding of Promoters**

Disclosure of shareholding of promoters as at March 31, 2025 is as follows:

Shares held by promoter at the end of the year		% Held	No. of shares	% of total shares	% change during the year
Promoter Name Sr. No.					
1	Nirmal Vinod Shah	13.35%	35,90,380	13.35%	**-**
2	Sameer Vinod Shah	12.54%	34,00,288	12.54%	-
3	Padma Vinod Shah	12.57%	33,82,200	12.57%	-
4	Ashwin Ratilal Nagarwadia	3.72%	10,00,000	3.72%	-
5	Bhadresh D Shah	1.40%	3,77,868	1.40%	-
	Total		**1,17,50,736**		-

(₹ in lakhs except otherwise stated)

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Shares held by promoter at the end of the year					
Sr. No.	Promoter Name	% Held	No. of shares	% of total shares	% change during the year
1	Nirmal Vinod Shah	13.35%	35,90,380	13.35%	100%
2	Sameer Vinod Shah	12.54%	34,00,288	12.54%	100%
3	Padma Vinod Shah	12.57%	33,82,200	12.57%	100%
4	Ashwin Ratilal Nagarwadia	3.72%	10,00,000	3.72%	100%
5	Bhadresh D Shah	1.40%	3,77,868	1.40%	100%
	Total		**1,17,50,736**	100.00%	

*Shares to be alloted pursuant to the scheme of arrangement (refer note no. 52 & 53)

Terms and rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

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

18	Other Equity	As at 31/03/2025	As at 31/03/2024
	Capital Reserves		
	As per last year	827.81	-
	Add : Pursuant to the Composite Scheme of Arrangement (Refer Note No. 52 & 53)		827.81
		827.81	**827.81**
	General Reserve		
	As per last year	971.22	-
	Add : Pursuant to the Composite Scheme of Arrangement (Refer Note No. 52 & 53)	-	971.22
		971.22	**971.22**
	Securities Premium		
	As per last year	38.70	-
	Add : Pursuant to the Composite Scheme of Arrangement (Refer Note No. 52 & 53)	-	38.70
		38.70	**38.70**
	Retained Earnings		
	As per last year	11,170.77	-
	Addition during the year	-	14,192.76
	Less: Effect pursuant to the Composite Scheme of Arrangement (Refer Note 52 & 53)		(4,904.67)
	Less: Merger & Demerger Effect CCWTL, CWTL	-	(1,119.59)
	Add: Consolidated Profit for the Year	3,091.64	3,002.28
		14,262.41	**11,170.77**
	Other Comprehensive Income (OCI)		
	Remeasurements of the net defined benefit Plans		
	As per last year	(3.28)	-
	Add : Pursuant to the Composite Scheme of Arrangement (Refer Note No. 52 & 53)	-	10.45
	Addition/ (Deduction) during the year	(20.57)	(13.73)
		(23.85)	**(3.28)**
	Total	**16,076.29**	**13,005.22**

(₹ in lakhs except otherwise stated)

19	Non Controlling Interest		As at 31/03/2025	As at 31/03/2024
	Share Capital			
	Opening Balance		22.50	-
	Add : Pursuant to the Composite Scheme of Arrangement (Refer Note no. 52 & 53)		-	22.50
	Closing Balance		22.50	22.50
	Securities Premium			
	As per last year		4.05	-
	Add : Pursuant to the Composite Scheme of Arrangement (Refer Note no. 52 & 53)		-	4.05
	Retained Earnings		4.05	4.05
	Opening Balance		46.81	-
	Add : Pursuant to the Composite Scheme of Arrangement (Refer Note no. 52 & 53)		-	55.14
	Share or Profit/(Loss)		(12.08)	(8.33)
	Closing Balance		34.73	46.81
	Total		**61.28**	**73.36**

20	Provisions- Non Current	As at 31/03/2025	As at 31/03/2024
	Provision for Gratuity	29.81	16.38
	Total	**29.81**	**16.38**

21	Deferred Tax Liability (Net)		As at 31/03/2025	As at 31/03/2024
	Deferred tax Liability			
	Written Down Value of Property Plant & Equipment		170.74	252.43
	Investments at Fair Value		48.53	7.79
		A	**219.27**	**260.22**
	Deferred tax Asset			
	Other Deductible Temporary Differences		8.09	0.01
	Provision for Expected Credit Loss		17.09	6.59
		B	**25.18**	**6.59**
	Net Deferred Tax Liability	**Total (A-B)**	**194.10**	**253.63**

22	Other Non- Current Liabilities	As at 31/03/2025	As at 31/03/2024
	Dealer Deposits	101.52	96.03
	Total	**101.52**	**96.03**

23	Trade Payables	As at 31/03/2025	As at 31/03/2024
	Total Outstanding Dues of Micro and Small Enterprises	625.03	153.16
	Total Outstanding Dues of Creditors other than Micro and Small Enterprises	2,080.39	2,558.31
	Total	**2,705.42**	**2,711.47**
	a For Related party transaction Refer Note No.41		
	b For Trade Payable Ageing Schedule Refer Note No 47		
	c The Group 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:		

(₹ in lakhs except otherwise stated)

	As at 31/03/2025	As at 31/03/2024
Principal amount due to suppliers under MSMED Act, 2006	263.20	136.72
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	0.01	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	71.24	466.18
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	-	0.01
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	0.01

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.

24	Other Current Liabilities	As at 31/03/2025	As at 31/03/2024
	Statutory Dues payable	214.43	89.76
	Employee benefits payable	659.26	632.84
	Others (Advance Received From Customers & Employee Reimbursement payables)	46.06	23.43
	Total	**919.75**	**746.04**

25	Short-term Provisions	As at 31/03/2025	As at 31/03/2024
	Provision for Expenses	5.24	-
	Provision for Gratuity	70.25	55.87
	Total	**75.49**	**55.87**

26	Current Tax Liabilities (Net)	As at 31/03/2025	As at 31/03/2024
	Provision for Current Tax (Net of Advance Tax)	103.79	-
	Total	**103.79**	**-**

27	Revenue from Operations	2024-2025	2023-2024
	Sale of Goods	25,581.13	24,587.40
	Sale of Services	3,561.62	3,634.58
	Other Operating revenue	84.59	101.97
	Total	**29,227.34**	**28,323.95**

28	Other Income	2024-2025	2023-2024
	Net gain on sale of investments	67.71	62.00
	Interest at Effective Interest Rate	163.13	112.00
	Rent (Gross)	5.65	5.17
	Foreign Exchange Fluctuation Gain	16.35	4.24
	Miscellaneous Income	142.25	42.40
	Gain on fair valution of investments	185.83	141.96
	Credit Balances Written Back	2.06	2.66
	Total	**582.98**	**370.43**

(₹ in lakhs except otherwise stated)

		2024-2025	2023-2024
29	**Cost of materials consumed**	**2024-2025**	**2023-2024**
	Raw Materials Consumed	10,350.70	9,096.04
	Packing Materials Consumed	796.67	765.04
	Total	**11,147.37**	**9,861.08**

30	**Purchases of stock-in-trade**	**2024-2025**	**2023-2024**
	Purchases of Stock-in-trade	3,216.95	3,739.50
	Total	**3,216.95**	**3,739.50**
	Break-up of Raw Material Consumed		
	Imported	3,109.03	3,245.03
	Indigenous	8,038.34	6,616.05
		11,147.37	**9,861.08**

31	**Changes in inventory of Finished goods, Work in progress and Stock in Trade**	**2024-2025**	**2023-2024**
	(a) Finished goods/ Stock in Trade/ Work In Progress (At Close)		
	Finished goods	554.76	582.90
	Work In Progress	34.52	49.82
	Stock in Trade	444.92	381.84
	Total (A)	**1,034.19**	**1,014.56**
	(b) Finished goods/ Stock in Trade/ Work In Progress (At commencement)		
	Finished goods	582.90	508.96
	Work In Progress	49.82	28.51
	Stock In Trade	381.84	534.76
	Total (B)	**1,014.56**	**1,072.23**
	Total	**(19.64)**	**57.67**

32	**Employee benefits expense**	**2024-2025**	**2023-2024**
	Directors' Remuneration	188.77	205.02
	Salaries & Wages	4,523.07	4,089.34
	Gratuity	62.17	55.19
	Contribution to Provident & other funds	279.35	276.04
	Staff Welfare Expenses	134.09	118.86
	Total	**5,187.44**	**4,744.46**

33	**Finance Costs**	**2024-2025**	**2023-2024**
	(a) Interest Expense at Effective Interest rate		
	- Banks	5.29	4.90
	- MSMED	-	0.02
	- Others	2.89	3.86
	(b) Other borrowing costs		
	Bank Guarantee fees & charges	57.08	49.08
	Others	1.50	1.50
	Total	**66.76**	**59.36**

34	**Depreciation and Amortisation expenses**	**2024-2025**	**2023-2024**
	Depreciation and Amortisation Expenses	493.26	261.19
	Total	**493.26**	**261.19**

(₹ in lakhs except otherwise stated)

35	Other Expenses		2024-2025	2023-2024
	Manufacturing Expenses			
	Freight Inwards		9.13	18.65
	Consumable stores		438.19	314.08
	Power, Fuel & Water Charges		2.72	3.85
	Research and Development		0.44	-
	Laboratory Expenses		25.88	1.75
	Repairs and Renewals to Plant & Machinery		20.07	15.06
	Labour Charges		1,157.40	1,081.86
	Security Expenses		38.85	40.62
	Factory Maintenance		13.33	13.97
	Technical Service Charges		69.26	57.17
		A	**1,775.27**	**1,547.00**
	Administrative Expenses			
	Directors' Sitting Fees		17.82	14.55
	Rates & Taxes		23.54	38.29
	Electricity charges		58.10	49.68
	Printing and stationary		23.80	16.26
	Telephone & Postage Expenses		44.11	39.99
	Insurance		53.48	65.35
	Motor car expenses		19.64	13.46
	Auditors Remuneration (Refer note a)		28.04	24.39
	Legal, Professional & consultancy fees		347.73	351.09
	Repairs & Maintenance Buildings		0.38	12.68
	Repairs & Maintenance Others		214.24	177.95
	Miscellaneous expenses		65.61	69.67
	Corporate Social responsibility Expenditure		61.24	44.62
	Sales Tax & Other Taxes		-	29.60
	Loss on Sale of Property Plant & Equipment		-	0.21
	Provision for Expected credit loss on trade receivables		27.17	792.58
	Foreign Exchange Fluctuation Loss		57.04	32.14
	Debit Balance Written Off		6.41	-
	Bad Debts Written Off		50.10	60.87
	Computer Expense		76.27	55.59
	Bank Charges		5.89	9.00
		B	**1,181.93**	**1,897.97**
	Selling and Distribution Expenses			
	Carriage outwards		887.55	800.21
	Rent		71.26	47.21
	Commission on sales		87.36	155.08
	Travelling Expenses		914.42	935.07
	Conveyance expenses		16.15	17.94

(₹ in lakhs except otherwise stated)

	Royalty Expenses	6.23	14.32
	Advertising & Publicity Expenses	1.44	0.78
	Warehousing Charges	19.26	13.43
	Packing Expenses	19.21	12.57
	Sales Promotion Expenses	170.49	145.44
	Business Support Services	350.64	139.30
	C	**2,544.01**	**2,281.35**
	Total (A+B+C)	**5,501.21**	**5,726.33**

a	**Auditor's Remuneration consists of:**	**2024-2025**	**2023-2024**
	Statutory Audit Fees	23.92	20.69
	Tax Audit Fees	2.28	1.54
	Taxation and Other Matters	1.84	2.16
		28.04	24.39

b **Lease**

The Lease normally acquires offices, warehouses and vehicles under non-cancellable operational leases. Minimum lease payments outstanding at year end in respect of these asets are as under:

Group as a Lessee	Total Minimum Lease Payment Outstanding as on 31/03/2025	Total Minimum Lease Payment Outstanding as on 31/03/2024
Due within one year	74.56	21.67
Due later than one year and not later than five years	17.36	14.96
Due later than five years	-	-
Lease payments recognised in the Statement of Profit & Loss	89.52	94.55

36	**EARNINGS PER SHARE**	**2024-2025**	**2023-2024**
	Net Profit available to Equity Shareholders (Rs. In Lakhs)	3,104.23	3,011.17
	Total number of Equity Shares pending allotment (Face value of Rs. 5/- each fully paid up)	2,68,96,576.00	2,68,96,576.00
	Weighted No. of Equity Shares	2,68,96,576.00	2,68,96,576.00
	Basic Earnings per Share (in Rupees)	11.54	11.20
	Diluted No. of Equity Shares	2,68,96,576.00	2,68,96,576.00
	Diluted Earnings per Share (in Rupees)	11.54	11.20

37 Segment Reporting

The Group is engaged in the manufacturing and trading of products as well as in rendering services related to Speciality Chemicals, which in the context of IND AS 108- Operating segment specifed under section 133 of the Companies Act, 2013 is considered as a single business segment of the Group. 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. The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

38 **Financial instruments – Fair values and risk management** (₹ in lakhs except otherwise stated)

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 2025							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents (Including other bank balances)	-	-	2,585.56	2,585.56	-	-	-	-
Investments	-	-	-	-	-	-	-	-
- Mutual Funds	3,543.99	-	-	3,543.99	3,543.99	-	-	3,543.99
-Investment in step-down Associate			2.00	2.00				
Trade and other receivables			10,035.61	10,035.61				-
Loans			2.66	2.66				-
Other financial assets			793.57	793.57				-
TOTAL	**3,543.99**	**-**	**13,419.40**	**16,963.39**	**3,543.99**	**-**	**-**	**3,543.99**
Financial liabilities								
Trade and other payables	-	-	2,705.42	2,705.42	-	-	-	-
TOTAL	**-**	**-**	**2,705.42**	**2,705.42**	**-**	**-**	**-**	**-**

	As at 31 March 2024							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
"Cash and cash equivalents (Including other bank balances)"			2,709.92	2,709.92				-
Investments								
- Mutual Funds	2,730.75			2,730.75	2,730.75			2,730.75
-Investment in step-down Associate			2.00	2.00				
Trade and other receivables			7,718.54	7,718.54				-
Loans			2.49	2.49				-
Other financial assets			606.58	606.58				-
TOTAL	**2,730.75**	**-**	**11,039.53**	**13,770.28**	**2,730.75**	**-**	**-**	**2,730.75**
Financial liabilities								
Trade and other payables			2,711.47	2,711.47				-
TOTAL	**-**	**-**	**2,711.47**	**2,711.47**	**-**	**-**	**-**	**-**

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

B. Measurement of fair values

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 113 are described below:

Level 1: Heirarchy includes financial instruments measured using quoted prices.

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

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

Transfers between Levels

There are no transfers betweeen the levels

C. Financial risk management

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

i. Risk management framework

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

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

ii. Credit risk

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

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

Trade and other receivables

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

The Company manages credit risk through various internal policies and procedures setforth 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 based on expected credit loss model for credit risk wherever credit is extended to customers.

Cash and cash equivalents

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

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

iii. Liquidity risk

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

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

(₹ in lakhs except otherwise stated)

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

Sr No	As at 31st March, 2025	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Borrowings	23	-	-	-
2	Trade payables	24	2,705.42	2,705.42	-
3	Other Financials Liability	25	-	-	-
4	Other Current Liabilities	26	919.75	919.75	-
	TOTAL		**3,625.18**	**3,625.18**	**-**

Sr No	As at 31st March, 2024	Notes	Carrying Values	Less than 12 Months	More than 12 Months
1	Borrowings	23	-	-	-
2	Trade payables	24	2,711.47	2,711.47	-
3	Other Financials Liability	25	-	-	-
4	Other Current Liabilities	26	746.04	746.04	-
	TOTAL		**3,457.52**	**3,457.52**	**-**

iv. Market risk

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

a) Currency risk

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

Exposure to currency risk

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

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

Currency	Exposure to buy/sell	As at 31/03/2025		As at 31/03/2024	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
USD	Liability	-	-	-	-

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

Currency	Exposure to buy/sell	As at 31/03/2025		As at 31/03/2024	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
US Dollars	Liability	1.13	97.86	1.89	154.63
US Dollars	Asset	1.96	162.24	1.61	131.79

(₹ in lakhs except otherwise stated)

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 varioustenors depending on the liquidity needs of the Company. The Company's exposures to interest rate risk is not significant.

39 Employee Benefit obligations

(A) Defined contribution plan

Contributions are made to Employee Provident Fund (EPF), Employees State Insurance Scheme (ESIC) and other Funds which covers all regular employees. Both the employees and the Group 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, is as detailed below :

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Contribution to Provident Fund	223.57	206.37
Contribution to Superannuation Fund	5.80	5.94
Contribution to ESIC	21.56	21.31
Contribution to Labour Welfare Fund	0.82	0.51

(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 Acturial Valuation are as follows:

		As at 31 March 2025	As at 31 March 2024
		Funded Plan	
(i)	**Change in Defined Benefit Obligation**		
	Opening defined benefit obligation	500.14	455.68
	Amount recognised in profit and loss		
	Current service cost	57.28	53.14
	Interest cost	36.25	33.93
	Amount recognised in other comprehensive income		
	Actuarial loss / (gain) arising from:	-	-
	Return on Plan Assets	-	-
	Financial assumptions	27.45	9.57
	Experience adjustment	1.84	(1.26)
	Other	(0.63)	8.10
	Benefits paid	(35.58)	(59.00)
	Closing defined benefit obligation	586.75	500.16
(ii)	**Change in Fair Value of Assets**		
	Opening fair value of plan assets	432.88	428.21
	Amount recognised in profit and loss		
	Interest income	31.37	31.88
	Amount recognised in other comprehensive income		
	Actuarial gain / (loss)		
	Return on Plan Assets, Excluding Interest Income	2.56	(1.88)
	Amount not recognised due to Asset limit (P.Y)		-
	Other		-

(₹ in lakhs except otherwise stated)

		As at 31 March 2025	As at 31 March 2024
		Funded Plan	
	Contributions by employer	59.58	33.66
	Benefits paid	(37.32)	(59.00)
	Closing fair value of plan assets	**489.07**	**432.87**
	Actual return on Plan Assets	33.38	29.71
(iii)	**Plan assets comprise the following**		
		Unqouted	Unqouted
	Insurance fund (100%)	489.07	432.87
	(The Group has this investments in Group Gratuity policy with LIC. The details of further investment by LIC is not available with the Group)		
(iv)	**Principal actuarial assumptions used**	%	%
	Average Discount rate	6.84	7.29
	Withdrawal Rate	1.00	1.00
	Future Salary Increase	5.00	5.00

		As at 31st March, 2025	As at 31st March, 2024
(v)	**Amount recognised in the Balance Sheet**		
	Present value of obligations as at year end	586.75	500.16
	Fair value of plan assets as at year end	(489.07)	(432.87)
	Net (asset) / liability recognised as at year end	**97.68**	**67.29**
	Recognised under :		
	Short term provisions	68.86	54.71
	Long term provisions	28.83	12.58
		97.68	**67.29**

(vi) **Sensitivity analysis**

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

	As at 31st March, 2025		As at 31st March, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(8.99%)	10.54%	(8.93%)	10.41%
Future salary growth (1% movement) - Gratuity	10.64%	(9.26%)	10.56%	(9.18%)

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

(vii) **Expected future cash flows**

The expected maturity analysis is as follows :	For year ended 31.3.2025	For year ended 31.3.2024
Expected benefits for year 1	17.16	33.26
Expected benefits for year 2	37.13	8.33
Expected benefits for year 3	41.57	35.31
Expected benefits for year 4	33.97	40.10
Expected benefits for year 5	109.18	32.06
Expected benefits for year 6 and above	274.50	300.61

(₹ in lakhs except otherwise stated)

40 Financial information pursuant to Schedule III of Companies Act 2013

Sr. No.	Name of the entity	Net Assets(Total assets minus total liabilities)		Share in Profit or loss		Share in Other comrehensive income		Share in total comrehensive income	
		31st March 2025		31st March 2025		31st March 2025		31st March 2025	
		As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated profit or loss	Amount (₹ In Lakhs)	As % of consolidated profit or loss	Amount (₹ In Lakhs)	As % of consolidated profit or loss	Amount (₹ In Lakhs)
	Parent								
	Chembond Chemical Specialties Ltd.	41.32%	9,364.22	17.45%	602.86	18.29%	(3.81)	17.45%	599.05
	Indian Subsidaries								
1	Chembond Water Technologies Limited	51.85%	11,751.17	76.84%	2,654.29	73.10%	(15.22)	76.87%	2,639.06
2	Chembond Calvatis Industrial Hygiene Systems Limited	0.60%	136.18	-0.79%	(27.41)	-2.79%	0.58	-0.78%	(26.83)
3	Chembond Distribution Limited	5.34%	1,209.79	4.10%	141.54	11.40%	(2.37)	4.05%	139.16
	Step-down Foreign Subsidiaries								
4	Chembond Water Technologies (Malaysia) Sdn Bhd	0.87%	196.15	2.23%	76.87	0.00%	-	2.24%	76.87
5	Chembond Water Technologies (Thailand) Co. Limited	0.02%	4.58	0.17%	28.38	0.00%		0.18%	6.04
	Total	**100.00%**	**22,662.09**	**100.00%**	**3,454.19**	**100.00%**	**-20.83**	**100.00%**	**3,433.36**

41 Related party disclosures as required under Ind AS 24 on "Related Party Disclosures"

a) Name of related party and discription of relationship:

i. **Joint Venture Partner:**

Calvatis Gmbh

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

Key Management Personnel:

Nirmal V. Shah (Director)

Sameer V. Shah (Director)

Prachi Mahadik (Chief Finance Officer Appointed w.e.f. April 1, 2025)

Kiran Mukadam (Company Secretary Appointed w.e.f. May 6, 2025)

Relatives :

Padma V. Shah, Dr. Shilpa S. Shah, Mamta N. Shah, Alpana S. Shah, Jyoti N. Mehta, Amrita S. B' Durga, Malika S.Shah, Kshitija N. Shah, Raunaq S. Shah, Rahil N. Shah

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

CCL Opto Electronics Pvt Ltd., Finor Piplaj Chemicals Ltd., S and N Ventures Pvt Ltd., Visan Holdings Pvt Ltd, Visan Trust,Protochem Products Pvt Ltd.and Oriano Clean Energy Pvt Ltd.

(₹ in lakhs except otherwise stated)

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

For the year ended/as on	31.03.2025			31.03.2024		
Description of the nature of transactions	**Joint Venture**	**KMP & Entities where KMP are interested**	**Total**	**Joint Venture**	**KMP & Entities where KMP are interested**	**Total**
Sales of Goods	**-**	**237.16**	**237.16**	**-**	**190.41**	**190.41**
Chembond Material Technologies Ltd.	-	77.17	77.17	-	59.18	59.18
CHEMBOND BIOSCIENCES LTD	-	4.94	4.94	-	-	-
Chembond Water Technologies Ltd	-	-	-	-	-	-
Finor Piplaj Chemicals Ltd	-	155.05	155.05	-	131.23	131.23
Chembond Distribution Ltd	-	-	-	-	-	-
Purchase of Goods	**-**	**2,692.64**	**2,692.64**	**-**	**2,347.05**	**2,347.05**
Chembond Material Technologies Ltd.	-	17.44	17.44	-	27.14	27.14
Chembond Biosciences Ltd	-	-	-	-	0.38	0.38
Finor Piplaj Chemicals Ltd	-	2,661.38	2,661.38	-	2,313.86	2,313.86
REWASOFT SOLUTIONS PRIVATE LTD	-	13.82	13.82	-	5.67	5.67
Chembond Water Technologies Ltd	-	-	-	-	-	-
Chembond Distribution Ltd	-	-	-	-	-	-
Sale of Fixed Assets	**-**	**-**	**-**	**-**	**0.72**	**0.72**
Chembond Material Technologies Ltd.	-	-	-	-	-	-
Finor Piplaj Chemicals Ltd	-	-	-	-	0.72	0.72
Rent Income	**-**	**4.20**	**4.20**	**-**	**4.20**	**4.20**
Finor Piplaj Chemicals Ltd	-	3.00	3.00	-	3.00	3.00
Chembond Material Technologies Ltd.	-	1.20	1.20	-	1.20	1.20
Rental Expenses	**-**	**9.00**	**9.00**	**-**	**9.00**	**9.00**
Chembond Material Technologies Ltd.	-	-	-	-	-	-
Finor Piplaj Chemicals Ltd	-	9.00	9.00	-	9.00	9.00
Chembond Water Technologies Ltd	-		-	-	-	-
Director Remunration	**-**	**305.91**	**305.91**	**-**	**146.20**	**146.20**
Nirmal V Shah	-	180.15	180.15	-	146.20	146.20
Vinod Deshpande	-	125.77	125.77	-	115.83	115.83
Director Sitting Fees	**-**	**2.90**	**2.90**	**-**	**2.30**	**2.30**
Sushil Lakhani	-	1.10	1.10	-	1.00	1.00
Mahendra Ghelani	-	1.60	1.60	-	1.30	1.30
Dr Prakash Trivedi	-	0.20	0.20	-	-	-
Professional & Consulting Fees	**-**	**-**	**-**	**-**	**0.35**	**0.35**
Chembond Material Technologies Ltd.	-	-	-	-	-	-
Kshitija Shah	-	-	-	-	0.35	0.35
Commission	**-**	**1.50**	**1.50**	**-**	**1.00**	**1.00**
Sushil Lakhani	-	1.50	1.50	-	1.00	1.00
Corporate Guarantee Fees	**-**	**25.50**	**25.50**	**-**	**0.37**	**0.37**
Chembond Material Technologies Ltd.	-	25.50	25.50	-	0.37	0.37
Job Work Charges Paid (Sub Contracting Charge)	**-**	**-**	**-**	**-**	**-**	**-**
Chembond Material Technologies Ltd.	-	-	-	-	-	-

(₹ in lakhs except otherwise stated)

For the year ended/as on	31.03.2025			31.03.2024		
Description of the nature of transactions	**Joint Venture**	**KMP & Entities where KMP are interested**	**Total**	**Joint Venture**	**KMP & Entities where KMP are interested**	**Total**
Sundry Debtors	**-**	**29.80**	**29.80**	**-**	**89.12**	**89.12**
Chembond Material Technologies Ltd.	-	11.98	11.98	-	21.04	21.04
Chembond Water Technologies Ltd	-	-	-	-	-	-
Finor Piplaj Chemicals Ltd	-	17.82	17.82	-	68.09	68.09
Chembond Distribution Ltd	-	-	-	-	-	-
Sundry Creditors	**-**	**276.73**	**276.73**	**-**	**451.87**	**451.87**
Chembond Material Technologies Ltd.	-	8.83	8.83	-	1.54	1.54
Finor Piplaj Chemicals Ltd	-	270.50	270.50	-	451.66	451.66
Rewasoft Solutions Private Limited	-	(2.61)	(2.61)	-	(1.33)	(1.33)
Chembond Biosciences Ltd	-	-	-	-	-	-
Chembond Water Technologies Ltd	-	-	-	-	-	-
Chembond Distribution Ltd	-	-	-	-	-	-

42 Financials Ratios

	FY 2024-2025	FY 2023-2024	Variance
(a) Current Ratio			
Current Assets(A)	18,286.28	15,183.89	
Current Liabilties(B)	3,804.45	3,513.38	
Current Ratio(A/B)	**4.81**	**4.32**	**11.22%**
(b) Debt-Equity Ratio			
Total Borrowings(A)- Current + Non-current borrowings (A)	0.00	0.00	
Total Shareholders' Equity(B) - Total Equity (B)	17,482.40	14,423.41	
Debt-Equity Ratio(A/B)	**-**	**-**	**-**
(c) Debt Service Coverage Ratio			
Earnings for debt service= Net profit after taxes + Non- Cash operating expenses+Interest+ Other adjustments (A)	3,590.45	3,268.37	
Interest on Loan+Loan repayment in a year(B)	5.29	4.90	
Debt Service Coverage Ratio(A/B)	**678.12**	**667.01**	**1.66%**
(d) Return on Equity Ratio			
Net Profit(A)	3,091.90	3,002.28	
Average Shareholders Equity(B)	15,885.58	14,350.05	
Return on Equity Ratio(A/B)	**19.46%**	**20.92%**	**(6.97%)**
(e) Inventory turnover ratio			
Raw materials,components,finished goods and work in progress consumed (A)	14,344.68	13,658.25	
Average Inventory(B)	1,779.78	1,733.66	
Inventory turnover Ratio(A/B)	**8.06**	**7.88**	**2.30%**

(₹ in lakhs except otherwise stated)

(f) Trade receivables turnover ratio			
Net sales(A)	29,227.34	28,323.95	
Average Accounts receivable(B)	8,877.08	7,718.54	
Trade receivable turnover Ratio(A/B)	**3.29**	**3.67**	**(10.28%)**
(g) Trade Payables turnover ratio			
Net Purchases(A)	14,460.50	14,739.89	
Average trade payable(B)	2,708.45	2,711.47	
Trade Payables turnover Ratio(A/B)	**5.34**	**5.44**	**(1.79%)**
(h) Net Capital turnover ratio			
Net sales(A)	29,227.34	28,323.95	
Average Working capital (i.e. Total current assets - Total Current Liabilities) (B)	13,076.17	11,670.51	
Net Capital turnover Ratio(A/B)	**2.24**	**2.43**	**(7.90%)**
(i) Net Profit ratio			
Net Profit(A)	3,091.90	3,002.28	
Net Sales(B)	29,227.34	28,323.95	
Net Profit Ratio(A/B)	**10.58%**	**10.60%**	**(0.20%)**
(j) Return on Capital employed			
EBIT(A) - PBT+Finance Costs	4,284.19	4,304.66	
Shareholders Equity+Long term liabilities(B) - Total Equity + Borrowings+ Tax Provision + Gratuity Provision	17,807.83	14,789.46	
Return on Capital employed(A/B)	**24.06%**	**29.11%**	**(17.34%)**
(k) Return on Investment			
Income generated from investment funds (Dividend Income+ Realised and unrealised gain on investments) (A)	321.26	203.96	
Average Cost of Investments (B)	3,137.37	2,730.75	
Return on Investment (A/B)*	**10.24%**	**7.47%**	**37.10%**

* Return on Investment has been increased in FY 2024-25 due to increase in unrealised gain on investments in mutual funds.

43 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31st March, 2025, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

(Refer Note no. 42 for Debt/Equity ratio)

(₹ in lakhs except otherwise stated)

44	Tax Reconciliation	2024-2025	2023-2024
	(a) The income tax expense consists of the followings:		
	Particulars		
	Current Income Tax	1,191.31	1,157.65
	Deferred Tax Expense	(65.78)	85.36
	Tax expense for the year	**1,125.53**	**1,243.01**
	(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax Rate		
	Profit before income tax expense	4,217.43	4,245.29
	Expected Income Tax expenses	1,156.70	1,046.60
	Part A		
	Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
	Additional allowances/deduction	43.51	164.43
	Short/Excess Provision of Tax of earlier years	(8.97)	(53.38)
	Others	0.07	-
	Current Tax (A)	**1,191.31**	**1,157.65**
	Part B		
	Effect due to Deferred Tax		
	Written Down Value Of Property Plant & Equipment	(81.11	254.81
	-Investments at Fair Value	(9.86)	32.61
	-Gratuity	21.64	-0.51
	-Provision for Doubtful Debts & Expected Credit Loss	4.05	-201.55
	-Other Deductible Temporary Differences	(0.50)	-
	Deferred Tax (B)	**-65.78**	**85.36**
	Tax Expense (A+B)	**1,125.53**	**1,243.01**

45	Contingent Liabilities (To the extent not provided for) :	As at 31/03/2025	As at 31/03/2024
	Particulars		
i)	Income Tax matters under Appeal	8.23	4.63
ii)	Income tax Matters (TDS)	0.39	3.38
iii)	The demand raised by GST Department.	43.66	11.92

(₹ in lakhs except otherwise stated)

46 Ageing Schedule for Trade receivables

Ageing for trade receivables outstanding as on 31st Mar'25 is as follows :

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed trade receivables - considered good	1,200.90	7965.52	764.86	1.31	103.01		10,035.60
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) undisputed trade receivables - credit impaired							-
iv) Disputed trade receivables - considered good	-	-	-	-	1,133.65	-	1,133.65
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Less : Allowance for doubtful trade receivables	-	-	-	-	(1,133.65)	-	(1,133.65)
Total	**1,200.90**	**7,965.52**	**764.86**	**1.31**	**103.01**	**-**	**10,035.60**

Ageing for trade receivables outstanding as on 31st Mar'24 is as follows :

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed trade receivables - considered good	784.84	6,036.78	719.90	7.85	169.17	-	7,718.54
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) undisputed trade receivables - credit impaired	-	-	-	-	1,106.47	-	1,106.47
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Less : Allowance for doubtful trade receivables	-	-	-	-	(1,106.47)	-	(1,106.47)
Total	**784.84**	**6,036.78**	**719.90**	**7.85**	**169.17**	**-**	**7,718.54**

(₹ in lakhs except otherwise stated)

47 Ageing Schedule for Trade Payables

Ageing for trade Payables outstanding as on 31st Mar'25 is as follows :

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 yr	1 -2 yrs	2-3 yrs	More than 3 yrs.	Total
I) MSME	263.20					263.20
II) Others	2153.97	89.5	145.59	53.16		2,442.22
III) Disputed dues - MSME						-
IV) Disputed dues - Others						-
Accrued expenses						-
Total	**2,417.16**	**89.50**	**145.59**	**53.16**	**-**	**2,705.42**

Ageing for trade Payables outstanding as on 31st Mar'24 is as follows :

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 yr	1 -2 yrs	2-3 yrs	More than 3 yrs.	Total
I) MSME	87.73	65.43				153.16
II) Others	292.68	552.81	1533.89	175.56	3.37	2,558.31
III) Disputed dues - MSME						-
IV) Disputed dues - Others						-
Accrued expenses						-
Total	**380.41**	**618.24**	**1,533.51**	**175.56**	**3.37**	**2,711.47**

48 Ageing Schedule for Capital Work in Progress

Ageing for CWIP as on 31st Mar'25 is as follows :

Particulars	Amount in CWIP for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Projects in progress	30.27				30.27
ii) Projects temporarily suspended	-	-	-	-	-
Total	**30.27**	**-**	**-**	**-**	**30.27**

Ageing for CWIP as on 31st Mar'24 is as follows :

Particulars	Amount in CWIP for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Projects in progress	17.05				17.05
ii) Projects temporarily suspended	-				-
Total	**17.05**	**-**	**-**	**-**	**17.05**

(₹ in lakhs except otherwise stated)

49 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 and its Indian subsidiaries 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 Group have 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

D. The Group have 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,

E. The Group have 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).

F. The Group have not traded or invested in Crypto currency or Virtual Currency during the current or previous year.

G. The Group have 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.

H. The Group 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.

50 Audit Trail

The Ministry of Corporate Affairs (MCA) has issued a notification – Companies (Accounts) Amendment Rules, 2021 which is effective from 1st April, 2023. The amendment requires that every company which uses an accounting software for maintaining its books of account shall use an accounting software where there is feature of recording audit trail of each and every transaction and further creating an edit log of each change made to the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Group uses an accounting software for maintaining books of account which has a feature of recording audit trail and edit log facility and that has been operative throughout the financial year for the transactions recorded in the software impacting books of account at the application level. The software being managed on public cloud, users do not have access to enable, disable, deactivate or tamper with the audit trail setting.

The Group also uses software for payroll application and employee reimbursement. In both the software there is a feature of audit log for recording audit trail and the same cannot be disabled or modified.

The audit trail feature is not enabled at the database level in respect of these software.

51 Events occurring After Balance sheet date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and / or reporting of any of these events and transactions in the financial statements. Pursuant to the Composite Scheme of Arrangement approved by the Hon'ble NCLT on April 7, 2025 Further the Company has filed the certified copy of the said order with the Registrar of Companies on 3rd May 2025. These events, occurring after the reporting date but before the approval of the financial statements, have been Adjustred and Disclosed in accordance with Ind AS 110.

(₹ in lakhs except otherwise stated)

52 Accouting Treatment as per IND AS 103 - Business Combination

Pursuant to the Composite Scheme of Arrangement the following transactions related to CCSL were effected:

Demerger of (WT) and (CC)Undertaking of CCL and transfered to CCSL

The Water Technologies (WT) and Construction Chemicals (CC) business undertaking of Chembond Material Technologies Limited ("the Demerged Company" formarly known as Chembond Chemicals Limited) was demerged and transferred to Chembond Chemical Specialties Limited ("CCSL" or "the Resulting Company") with effect from the Appointed Date, i.e., 1st April 2024.

Amalgatmation of CCWTL with CCSL

Subsequently, Chembond Clean Water Technologies Limited (CCWTL) was amalgamated with CCSL as part of the same Scheme.

The above transactions has been accounted for as a common control business combination in accordance with Appendix C of Ind AS 103 – Business Combinations, using the pooling of interest method. Accordingly:

(a) The assets, liabilities, and reserves of the CC&WT Business of CCL and of CCWTL have been transferred to and vested in CCSL at their respective carrying values.

(b) The standalone financial statements for the year ended 31st March 2025 includes the merged financial figures of the CC&WT Business and CCWTL for the relevant period as per the method of accounting prescribed in the Scheme and in accordance with principles of Indian Accounting Standards, including IND AS 103 (Business Combinations).

(c) The comparative figures for the year ended 31st March 2024, have been restated to include the corresponding financial results of the CC&WT Business and CCWTL for those periods, to ensure comparability.

53 Composite Scheme of Arrangement:

Chembond Chemicals Limited (Demerged Company / CCL), Chembond Chemical Specialties Limited (""Resulting Company""/ CCSL / Company), Chembond Clean Water Technologies Limited (CCWTL), Chembond Material Technologies Private Limited (CMTPL), Phiroze Sethna Private Limited (PSPL) and Gramos Chemicals India Private Limited (GCIPL) and their respective shareholders have entered into a Composite Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 (""Scheme"") which contemplates Amalgamation of CMTPL, PSPL and GCIPL with CCL, demerger of "Construction Chemicals and Water Technologies chemicals" business from CCL to CCSL and amalgamation of CCWTL into CCSL, as on the Appointed Date of 1st April, 2024. The said Scheme was approved by the National Company Law Tribunal, Mumbai Bench (""NCLT"") on 7th April, 2025 and the Company has received the certified order copy on 22nd April 2025. The Company has filed the certified copy of the said order with the Registrar of Companies for CCL, CCSL, CMTPL, PSPL, GCIPL and CCWTL on 29/04/2025, 30/04/2025, 01/05/2025, 01/05/2025, 02/05/2025 and 03/05/2025 respectively, as such the Scheme has become effective from the respective dates for all the companies involved in the Scheme.

Upon demerger, the Resulting Company is required to issue its equity shares to each shareholder of the Demerged Company as on record date in 1:2 swap ratio (i.e., for every 1 equity share held in Demerged Company, two shares of Rs. 5/- each will be issued by the Resulting Company). The said allotment of 2,68,96,576 shares has been approved by the Allotment Committee of CCSL on 13/05/2025 and the equity shares were allotted to the shareholders in the said ratio.

54 The Group has decided to opt for tax structure prescribed under Section 115BAA of the Income Tax Act, 1961 except for 1 subsidiary company which has provided for current tax and deferred tax as per existing tax structure.

55 In addition to the restatement pursuant to scheme of arrangement as per note 52 & 53 above, the previous year figures have been regrouped, reallocated or reclassified wherever necessary to conform to current year classification and presentation.

As per our attached report of even date
For S H B A & CO LLP
(Formerly known as Bathiya & Associates LLP)
Chartered Accountants
FRN - 101046W/W100063

Jatin A. Thakkar
Partner
Membership No. : 134767

Mumbai, 30th May 2025

On behalf of the Board of Directors

Nirmal V. Shah
Director
DIN: 00083853

Sameer V. Shah
Director
DIN: 00105721

Prachi Mahadik
Chief Financial Officer

Kiran Mukadam
Company Secretary

Mumbai, 30th May 2025

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
OPERATING RESULT				
Revenue From Operations	6,940.04	6,886.05	29,227.34	28,323.95
Other Income	381.08	376.54	582.98	370.43
Finance cost	10.59	10.10	66.76	59.36
Depreciation	259.16	127.32	493.26	261.19
PBT	758.39	1,100.13	4,217.43	4,245.29
PAT	602.86	743.02	3,091.90	3,002.28
Dividend on Equity Shares	-	-	-	-
FINANCIAL POSITION				
Equity Share Capital	1,344.83	1,344.83	1,344.83	1,344.83
Reserve	8,019.38	7,570.33	16,137.57	13,078.58
Net Worth	9,364.21	8,915.16	17,482.40	14,423.41
Borrowings	-	-	-	-
Net Block (Asset)	1,510.53	1,729.88	2,138.20	2,194.78
RATIOS				
Return on Average Networth % (RONW)	6.60%	8.33%	19.38%	20.82%
Return on Average Capital Employed % (ROCE)	11.35%	16.16%	28.90%	32.38%
Gross Gearing %	0.00%	0.00%	0.00%	0.00%
Current Ratio	4.57	3.99	4.81	4.32
Asset Turnover Ratio	0.67	0.68	1.46	1.55
Net Profit Ratio	8.69%	10.79%	10.58%	10.60%
Return on Investments	8.87%	7.73%	10.24%	7.47%
Earning Per Share (Basic)	2.24	2.76	11.54	11.20
Dividend Per Share	-	-	-	-
Book Value Per Share	34.82	33.15	65.00	53.63

Note:

The ratios reported for FY 2023-24 are not strictly comparable due to the effect related to the scheme of merger and demerger.
Return on Average Networth (RONW)= PAT /Average Networth
Return on Average Capital Employed(ROCE)= PBIT/ Average Fund Employed Excluding Def tax liab
Gross Gearing =Debt as a percentage of Debt plus Equity
Current Ratio= Current Assets /Current Liabilities
Asset Turnover Ratio= Net Sales /Total Assets
Net Profit Ratio = Net Profit /Net Sales
Return on Investments= Income generated from investment funds / Average Cost of Investments

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