



July 26<sup>th</sup>, 2023

**To**  
The Manager  
Listing Department,  
**Bombay Stock Exchange Limited,**  
P.J. Tower, Fort  
Mumbai - 400 001  
Scrip Code: 530825

Respected Sir/Madam,

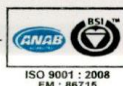
**Sub: Annual Report of 31<sup>st</sup> Annual General Meeting**

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report of our 31<sup>st</sup> Annual General Meeting to be held on 18<sup>th</sup> August 2023.

Kindly take the same on your record.

Thanking You,  
Yours Faithfully,  
For **DAIKAFFIL CHEMICALS INDIA LIMITED**

**Aditya Patel**  
Managing Director



**DAIKAFFIL CHEMICALS INDIA LIMITED**  
52, Nariman Bhavan, Nariman Point, Mumbai - 400 021 T: (91-22) 6101 6699  
E: info@daikaffil.com W: www.daikaffil.com CIN NO: L24114MH1992PLC067309  
Regd. Off. Works : E/4, M.I.D.C. Tarapur, Boisar - 401506. Dist. - Palghar , Maharashtra  
T: 02525 272674 E: works@daikaffil.com W: www.daikaffil.com  
EXPORT HOUSE (RECOGNISED BY MINISTRY OF COMMERCE & INDUSTRY)



**DAIKAFFIL**  
**CHEMICALS INDIA LIMITED**

**31**  
**YEARS**

**31st ANNUAL REPORT**  
**2022-2023**

**CIN : L24114MH1992PLC067309**

# DAIKAFFIL

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<b>BOARD OF DIRECTORS</b>	Sudhir Patel	(Non-Executive Chairman) DIN: 00012036
	Aditya Patel	(Managing Director) DIN: 00005276
	Amit Patel	(Director) DIN: 00005232
	Sunil Merchant	(Independent Director) DIN: 01064306
	Maithili Siswawala	(Independent Director)DIN: 07107622

<b>KEY MANAGERIAL PERSONAL</b>	Aditya Patel	(Managing Director)
	Sunil Shedge	(Chief Financial Officer)
	Seemab Ansari	(Company Secretary)

<b>SECRETARIAL AUDITOR</b>	D. M. & Associates, Company Secretaries LLP	(Practicing Company Secretaries)
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<b>AUDITORS</b>	NGST & Associates	(Statutory Auditors)
	JMT & Associates	(Internal Auditors)

<b>REGISTRARS AND SHARE TRANSFER AGENTS</b>	Link Intime India Pvt Ltd, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
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<b>CORPORATE OFFICE</b>	52, Nariman Bhavan, Nariman Point, Mumbai 400 021.
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<b>REGISTERED OFFICE AND PLANT</b>	Plot No. E-4, M.I.D.C. Tarapur, Boisar, Dist: Palghar - 401 506.
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## ANNUAL GENERAL MEETING

<b>Date:</b>	18th August, 2023
<b>Time:</b>	10.30 A.M.
<b>Venue:</b>	Through Video Conferencing

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**NOTICE**

**NOTICE** is hereby given that the **31<sup>st</sup> ANNUAL GENERAL MEETING** of the Members of **DAIKAFFIL CHEMICALS INDIA LIMITED** will be held on **FRIDAY, 18th DAY OF AUGUST, 2023** at 10.30 A.M. through Video Conferencing to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt:  
The Audited Financial Statements for the financial year ended March 31, 2023 including the Audited Balance Sheet as at March 31, 2023 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Aditya Patel, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. **Re-appointment of Mr. Aditya Patel (DIN: 00005276), Managing Director, of the Company for a further period of 3 years commencing from June 01, 2024 and ending on May 31, 2027.**

To consider and if thought fit, to pass with or without modification (s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of Board of Directors and subject to the provisions of Section 196, 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013, the relevant rules made thereunder read with Schedule V of the said Act (including any statutory modifications and re-enactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded for reappointment of Mr. Aditya Patel (DIN: 00005276) as Managing Director of the Company for a further period of three years with effect from June 01, 2024 to May 31, 2027, liable to retire by rotation, on such terms & conditions and remuneration as set out below:

<b>A. REMUNERATION:</b>	
(i)	Basic Salary of INR 110,000/- (Rupees One Lakh Ten thousand Only) per month and 10% annual increment on the basic salary.
(ii)	Commission : As May be decided by the Board of Directors at the end of each year calculated with reference to the net profit of the Company during the financial year, subject to overall ceiling as prescribed in section 197 of the Companies Act 2013.
(iii)	Bonus as per rules & regulations of the Company and at the discretion of the Board of Directors.
<b>B. PERQUISITES &amp; ALLOWANCES:</b>	
The Managing Director shall be entitled to the following perquisites and benefits:	
(i)	Accommodation (furnished/unfurnished) or House Rent Allowance in lieu thereof;
(ii)	Maintenance and upkeep, all monthly outgoings, cost of repairs, furnishings, payment of actual expenses for gas, electricity, water;
(iii)	Reimbursement of actual expenditure on medical treatment for self and dependent family members;
(iv)	Leave travel for self and dependent family members;
(v)	Subscription to Club fees and other expenses incurred at the club;
(vi)	Medical/accident insurance;
(vii)	Car with Driver maintained and fuelled by the Company for the use of Mr. Aditya Patel and his family;
(viii)	Other perquisites subject to overall ceiling of remuneration stipulated in Section 197 of the Companies Act, 2013. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income tax Rules wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.
<b>C. MINIMUM REMUNERATION:</b>	
Notwithstanding anything to the contrary herein contained, where, in any financial year during the currency of the tenure of Mr. Aditya Patel, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Aditya Patel the remuneration which shall be as per the terms and conditions of Schedule V of the Companies Act, 2013;	
<b>D. RETIREMENT BY ROTATION:</b>	
Mr. Aditya Patel shall be subject to retirement by rotation.	
<b>E. SITTING FEES</b>	
Managing Director shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.	
<b>F. OTHER TERMS AND CONDITIONS</b>	
The terms and conditions of appointment of Executive Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of the Companies Act, 2013.	

**RESOLVED FURTHER THAT** in the event the Company has no profit or its profits are inadequate in any financial year the remuneration shall be paid to him shall be as per the terms and conditions of Schedule V of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board of Directors of the Company or the Committee of the Board, be and is hereby authorized to do all such acts, deeds and things and to alter, amend or vary the terms and conditions of the appointment and remuneration as may be agreed to between the Board of Directors and Mr. Aditya Patel within such guidelines or amendments as may be made to the Companies Act, 2013, and subject to such approvals as may be required including filing of necessary e-form with registrar of Companies as may be required to give effect to the aforesaid resolution.”

4. **Re-appointment of Mrs. Maithili Siswawala (DIN: 07107622), Independent Director of the Company for a further period of 5 years.**

To consider and if thought fit, to pass with or without modification (s) the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the recommendation of Nomination and remuneration committee and pursuant to approval of Board of Directors and pursuant to the provisions of sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“the act”), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Maithili Siswawala (DIN: 07107622), Independent Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years i.e. commencing from May 23, 2024 upto May 23, 2029 and whose office shall not be liable to retire by rotation.”

**By Order of the Board of Directors**  
For **DAIKAFFIL CHEMICALS INDIA LIMITED**  
Sd/-  
**Aditya Patel**  
Managing Director  
(DIN: 00005276)

Date: May 22, 2023  
Place: Mumbai

## NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 11/2022 dated December 28, 2022 read with General Circular No. 2/2022 dated May 5, 2022 read with Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 and read with General Circular No. 02/2021 dated 13.01.2021 (hereinafter collectively referred to as "MCA Circulars") and SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 read with SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.
2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. For this they are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
4. The members are requested to:
  - (a) Intimate to the Company's Registrars and Share Transfer Agents M/s Link Intime India Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date;
  - (b) Quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;
  - (c) Approach the Company for consolidation of folios, if shareholdings are under multiple folios;
  - (d) Get the shares transferred in joint names, if they are held in single name to avoid inconvenience;
  - (e) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
  - (f) Furnish their Bank Account Number, the name of the Bank and the Branch where they would like to deposit the Dividend Warrants for encashment. These particulars will be printed on the cheque portion of Dividend Warrants, besides the name of the Shareholders so as to avoid fraudulent encashment of warrants. The above mentioned details should be furnished by the first / sole shareholder, directly to the Registrar & Share Transfer Agents, quoting the folio number.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized form are requested to get their Client ID and DP ID numbers ready for easy identification of attendance at the meeting.
7. Consequent upon the introduction of Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH-13 (which will be made available on request) to the Registrar and Transfer Agents, M/s Link Intime India Private Limited.
8. The Annual Report of the Company for the year 2022-2023 is also uploaded on the Company's website ([www.daikaffil.com](http://www.daikaffil.com))
9. Members are requested to notify any changes in address, signature or other bank particulars for their shares in electronic mode to their respective Depository Participant and for their physical holdings to the Registrar & Share Transfer Agent of the Company i.e. M/s. Link Intime India Private Limited.
10. Members are requested to direct all correspondence relating to share matters to the Company's Registrars and Share Transfer Agents.
11. **In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.**  
**In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:**
  - i. Kindly log in to the website of our RTA, Link Intime India Private Ltd., [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit.
  - OR
  - ii. In the case of Shares held in Demat mode: The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
12. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2022-23 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2022-23 will also be available on the Company's website [www.daikaffil.com](http://www.daikaffil.com); websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). **Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.**
13. **Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.**
14. **INSTRUCTIONS FOR E-VOTING AND JOINING THE ANNUAL GENERAL MEETING ARE AS FOLLOWS:**
15. **Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:**
  - a. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
  - b. Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only.

- c. Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:
1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:  
 DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company  
 PAN: Enter your 10 digit Permanent Account Number (PAN),  
 Mobile No.  
 Email ID
  2. Click "Go to Meeting"

Note:

- Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- In case the shareholders/members have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000 **InstaMeet Support Desk, Link Intime India Private Limited.**

**16. Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:**

- a. Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at [info@daikaffil.com](mailto:info@daikaffil.com) from August 09, 2023 09:00 a.m. to August 11, 2023 05:00 p.m.
- b. The first 20 Speaker(s) on first come basis will only be allowed to express their views/ask questions during the meeting.
- c. Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

Note:

- Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.
- Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

**17. Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- a. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
- b. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
- c. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- d. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.
- e. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- f. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- g. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

- Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting.
- Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.
- In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel: 022-49186175 **InstaMeet Support Desk, Link Intime India Private Limited**

18. In accordance with provision of section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014 the business proposed for the ensuing general Meeting, may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members.

19. The Company has engaged the services of **CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED ("CDSL")** to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner.

It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://www.evotingindia.com/> during the following voting period.

- |                              |                                      |
|------------------------------|--------------------------------------|
| a) Commencement of E-Voting: | 15th August 2023 (10.00 A.M onwards) |
| b) End of e-voting:          | 17th August 2023 (till 5.00 P.M.)    |
| c) Book Closure              | 12th August 2023 to 18th August 2023 |

During the E-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date may cast their vote electronically. The cutoff date for the limited purpose of e-voting is 11th August 2023. The EVSN for voting is **230516001**. The Company has appointed Mr. Dinesh Kumar Deora as scrutinizer for the meeting.

The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice.

Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.

**The instructions for members for voting electronically are as under: -**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop-down menu and click on "SUBMIT"



- (iii) Now, select the "COMPANY NAME" from the drop-down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as pahysical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Registered Office:**

E-4, M.I.D.C. Tarapur, Boisar, District Palghar  
 Maharashtra-401506  
 Date: May 22, 2023  
 Place: Mumbai

By Order of the Board of Directors  
 For **DAIKAFFIL CHEMICALS INDIA LIMITED**

**Sd/-**  
**ADITYA PATEL**  
 (MANAGING DIRECTOR)  
 (DIN: 00005276)



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**ITEM No. 3**

The term of Mr. Aditya Patel as Managing Director is upto May 31, 2024 and that it is proposed to re-appointment him as Managing Director for a further period of three years commencing from June 01, 2024 and ending on May 31, 2027.

The Nomination and Remuneration committee on May 22, 2023 recommended to the Board his appointment as Managing Director for a further period of three years.

Accordingly, considering his valuable contribution, commitment and devotion towards the Company, for managing corporate affairs and particularly looking after technical side of production the Board of Directors at their meeting held on May 22, 2023 and based on the recommendation of the Nomination and Remuneration Committee has approved his reappointment in advance as Managing Director of the Company for a further period of 3 years commencing from June 01, 2024 upto May 31, 2027.

Save and except Mr. Amit Patel father of Aditya Patel and Mr. Aditya Patel and their relatives, to the extent of their shareholding interest in the Company, if any, none of the other Directors of the Company and their relatives are in any way concerned or interested, financially or otherwise, in passing of the resolution set out at item no. 3 of the Notice.

The Board recommends the passing of Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

**Information as required under Schedule V alongwith Notice calling the general meeting is mentioned below:**

<b>I. General Information</b>	:
<b>1. Nature of Industry</b>	: Chemical Manufacturing
<b>2. Date or Expected date of commencement of commercial production</b>	: NA
<b>3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</b>	: NA
<b>4. Financial performance based on given indicators</b>	: Forms part of the Directors Report under the para Financial Highlights
<b>5. Foreign investments or collaborations, if any</b>	: NA
<b>II. Information about the appointee:</b>	:
<b>1. Background Details</b>	: Refer table - Information about the Directors seeking appointment/ re-appointment/approval of remuneration etc.
<b>2. Past Remuneration</b>	: Refer table - Information about the Directors seeking appointment/ reappointment/approval of remuneration etc.
<b>3. Recognition or awards</b>	: NA
<b>4. Job Profile and suitability</b>	: <b>Mr. Aditya Patel :</b> He is been on the Board since 2012. Since then he has shown his leadership quality in the areas of sales, marketing and purchases.
<b>5. Remuneration proposed</b>	: Refer Resolution
<b>6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</b>	: Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Aditya Patel, the remuneration is commensurate with the remuneration packages paid to similar counterparts in other companies.
<b>7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.</b>	: Refer Explanatory Statement to the Notice

**I. Other Information:**

**1. Reasons for Loss or Inadequate profits:**

Members are hereby informed that during F.Y. 2021-22 due to manufacturing orders drying up, the costs had become higher than the revenue, the Company incurred loss. To restrict any further erosion of capital due to the losses the management had undertaken certain cost saving measures which included planned shutdown of the factory. Since then, the operations are not fully restored and this has severely impacted the profitability of the Company and has resulted in losses.

**2. Steps taken or proposed to be taken for Improvement:**

The Company is into the business of Chemical manufacturing since 1992 and trading of the same. Accordingly, it has necessary expertise and appropriate network of vendors in India and abroad and hence, in the interim, the Trading activities are being carried out of Dyes and Dyes intermediates including optical brightener and related group products so that the margins from these products can help in sustaining the other costs. As and when sales orders start flowing, the plant will be operational again and the capacity will be restored gradually.

**3. Expected increase in productivity and profits in measurable terms:**

As mentioned in point no.2 the Management has already taken various initiatives to improve its present position; improve market share and its financial performance. It has been aggressively pursuing and implementing the same which the management is optimistic that it will result in increase in profitability.

**ITEM No. 4**

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, the Members at their Annual General Meeting held on August 02, 2019, appointed Mrs. Maithili Siswawala (DIN: 07107622) as Independent Director of the Company for a period of 5 (five) consecutive years for a term up to May 23, 2024. Her term will come to an end next year and to continue her uninterrupted term the approval is sought in advance in this AGM from the Members. She is eligible for re-appointment for one more term of five years.

The Nomination and Remuneration Committee on the basis of the report of performance evaluation of Independent Directors, has recommended the reappointment of Mrs. Maithili Siswawala (DIN: 07107622) for a second term of 5 (five) consecutive years (commencing from May 23, 2024 upto May 23, 2029) on the Board of the Company.

The Board of Directors based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee considers that, given her background, experience and analytical skills along with the contribution made by her during her tenure, the continued association of Mrs. Maithili Siswawala (DIN: 07107622) as Independent Director would be beneficial to the Company and it is desirable to continue and to avail her service as Independent Director.

Accordingly, it is proposed to re-appoint Mrs. Maithili Siswawala (DIN: 07107622) as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

The Company has also received a declaration from her confirming that she meets the criteria of independence as prescribed under the Companies Act, 2013 and the Listing Regulations.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mrs. Maithili Siswawala (DIN: 07107622) is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

In the opinion of the Board, Mrs. Maithili Siswawala (DIN: 07107622) fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations and is also Independent of the management.

Details of Mrs. Maithili Siswawala (DIN: 07107622), whose re-appointment as Independent Director is being proposed at Item No. 4 has been provided in the "Annexure -1" to the Notice pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Mrs. Maithili Siswawala (DIN: 07107622) setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Mrs. Maithili Siswawala (DIN: 07107622) is the only interested Director in the resolution set out at Item No. 4 of the Notice with regard to her re-appointment. The relatives of Mrs. Maithili Siswawala (DIN: 07107622) may be deemed to be interested in the respective resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the passing of Special Resolution set out at Item No. 4 of the Notice for approval by the members.

**Information about the Directors seeking appointment / re-appointment / approval of remuneration etc. as required under clause 1.2.5 of the Secretarial Standard - 2:**

Sr. No.	Particulars	Mr. Aditya Patel	Mrs. Maithili Siswawala								
1.	Age	44 Years	54 years								
2.	Qualification	B.A. Economics	Diploma in Applied Art (Commercial Art)								
3.	Experience (including expertise in specific functional area)/Brief Resume	Businessman having Experience in Chemical Industry	Freelance Consulting in advertising								
4.	Terms and Conditions of Appointment/Re-Appointment/ approval of remuneration etc.	As mentioned in resolution no. 3 to the Notice	Mrs. Maithili Siswawala Shall be bound by Schedule IV of the Companies Act, 2013 during her tenure as Independent Director								
5.	Remuneration last drawn	<table border="1"> <thead> <tr> <th>Particulars</th> <th></th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td>9,60,000/-</td> </tr> <tr> <td>Perquisites</td> <td>1,50,000/-</td> </tr> <tr> <td><b>Total</b></td> <td><b>11,10,000/-</b></td> </tr> </tbody> </table>	Particulars		Salary	9,60,000/-	Perquisites	1,50,000/-	<b>Total</b>	<b>11,10,000/-</b>	NA
Particulars											
Salary	9,60,000/-										
Perquisites	1,50,000/-										
<b>Total</b>	<b>11,10,000/-</b>										
6.	Remuneration proposed to be paid	As mentioned in resolution no. 3 to the Notice	NA								
7.	Date of first appointment on the Board	August 14, 2012	March 17, 2015								
8.	Shareholding in the Company	104,499	NIL								
9.	Relationship with other Directors/Key Managerial Personnel	Son of Mr. Amit Patel who is Non Executive Director of the Company	Not related to any of the Directors or Key Managerial Personnel or Promoters of the Company								
10.	Number of meetings of the Board attended during the financial year	3	3								
11.	Directorships of other Boards	CAFFIL PVT LTD	FREEDOMGURU REFLECTIONS PRIVATE LIMITED								
12.	Membership/ Chairmanship of Committees of other Boards	Membership: NIL Chairmanship: NIL	NIL								

## DIRECTORS' REPORT

Dear Members,

Your Directors present their 31st Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2023.

## 1. DIRECTORS' REPORT

(₹ in Lakhs)

	2022-2023		2021-2022	
	₹		₹	
Sales etc. and other income		111.03		862.26
<b>Profit/( Loss) before Depreciation, Interest and Tax</b>		<b>(144.82)</b>		<b>(156.99)</b>
Less: Depreciation	121.46		112.57	
Interest	0.61		3.28	
		122.07		115.85
<b>Profit before Tax</b>		<b>(266.89)</b>		<b>(272.84)</b>
Provision for Tax				
Current Tax			-	
Deferred Tax	26.14		20.85	
Earlier Years	-		1.63	
		26.14		22.48
<b>Profit/ (Loss) after Tax</b>		<b>(240.75)</b>		<b>(250.35)</b>

## 2. OPERATIONS

During the year under review, your Company's Revenue from operations has declined by @87.12% i.e. from 862.26 lakh in previous year to 111.03 lakh.

## 3. DIVIDEND

To conserve resources your Directors do not recommend Dividend.

## 4. DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

## 5. ANNUAL RETURN

The provisions of section 134 of Companies Act, 2013 was amended vide Companies Amendment Act, 2017 and the said amendment was brought in force w.e.f. 31st July 2018. Further, the provisions of section 92(3) were Substituted by the Companies (Amendment) Act, 2017 Effective from 28th August 2020. Accordingly, the requirement of attaching the extract of Annual Return, in format MGT -9 with the Directors Report has been dispensed off.

However, the web link where the Annual Return shall be placed is given below: <http://www.daikaffil.com>

## 6. TRANSFER TO GENERAL RESERVES

The Company doesn't propose to transfer any amount to be transferred to General Reserves.

## 7. DIRECTORS' AND KEY MANAGERIAL PERSONNEL

## A. Independent Directors:

The Company as on March 31, 2023 has three Independent Directors on Board:

1. Mr. Sudhir Patel
2. Mr. Sunil Merchant
3. Mrs. Maithili Siswawala

All Independent Directors have furnished declarations that they meet the criteria of Independence as laid down under section 149 of the Companies Act, 2013.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

A separate meeting of the Independent Director was convened on November 11, 2022, which reviewed the performance of the Board, the Non-Independent Directors and the Chairman.

Mrs. Maithili Siswawala was appointed as Independent Director on Board under the Companies Act, 2013 in the Annual General Meeting held on August 02, 2019 for a period of Five years.

The term of Mrs. Maithili Siswawala is coming to an end on May 23, 2024. The Board of Directors at their meeting held on May 22, 2023 has re-appointed Mrs. Siswawala for a further period of five years on recommendation of Nomination and Remuneration committee.

The Board of Directors based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee considers that, given the background, experience and contribution made by Mrs. Siswawala during her tenure, the continued association of Mrs. Siswawala would be beneficial to the Company and it is desirable to continue to avail her services as Independent Director for second term. Accordingly, it is proposed to re-appoint her as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Her reappointment for a further period of Five years commencing from May 23, 2024 is subject to approval of shareholders at the ensuing annual general meeting. Accordingly, a resolution proposing her re-appointment forms part of the notice of the ensuing annual general meeting. All the relevant details with regard to her re-appointment as Independent Director forms part of explanatory statement to the notice.

## B. Retire by Rotation:

Mr. Aditya Patel, Director, retires by rotation at the ensuing Annual General Meeting. He, being eligible, has offered himself for re-appointment as the Director of the Company.

## C. Key Managerial Personnel:

As on March 31, 2023 the following are the Key Managerial Personnel:

- i. Mr. Aditya Patel – Managing Director;
- ii. Mr. Sunil Shedge – Chief Financial Officer;
- iii. Mrs. Seemab Ansari – Company Secretary.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 22, 2023 approved advance re-appointment of Mr. Aditya Patel as Managing Director for a further period of three years commencing from June 01, 2024.

Accordingly, resolution proposing his re-appointment has been incorporated in the Notice calling the ensuing Annual General Meeting, for the approval of Members and all the relevant information pertaining to his re-appointment forms part of the explanatory statement to the Notice calling the ensuing annual general meeting.

**D. Meetings of Board and Committee:**

During the financial year under review the Board met 5 times, Audit Committee met 5 times, Nomination and Remuneration Committee met 2 times and Stakeholders relationship committee met 1 time. The details of which are given below.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. Further As per para 2.2 of Secretarial Standard-1 issued by Institute of Company Secretaries of India, the Board has set the minimum number and frequency of Committee meetings.

**i. Meetings of the Board and Attendance thereof:**

Sr. No	Name of the Director	No. of Board Meetings Attended				
		30.05.2022	18.07.2022	12.08.2022	11.11.2022	09.02.2023
1.	<b>Mr. Sudhir Patel</b> (Chairman - Independent Director)	✓	✓	✓	✓	✓
2.	<b>Mr. Amit Patel</b> (Director)	✓	✓	✓	✓	✓
3.	<b>Mr. Aditya Patel</b> (Managing Director)	X	✓	X	✓	✓
4.	<b>Mr. Sunil Merchant</b> (Independent Director)	✓	✓	✓	✓	✓
5.	<b>Mrs. Maithali Siswawala</b> (Independent Woman Director)	✓	✓	X	X	✓

**ii. Committees of the Board:**

The following committee meetings were held:

**a) Audit Committee:**

Sr. No	Name of the Member	No. of Board Meetings Attended				
		30.05.2022	18.07.2022	12.08.2022	11.11.2022	09.02.2023
1.	<b>Mr. Sudhir Patel</b> (Chairman)	✓	✓	✓	✓	✓
2.	<b>Mr. Aditya Patel</b> (Member)	X	✓	X	✓	✓
3.	<b>Mr. Sunil Merchant</b> (Member)	✓	✓	✓	✓	✓
4.	<b>Mrs. Maithili Siswawala</b> (Member)	✓	✓	X	X	✓

**b) Stakeholders' Relationship Committee:**

Sr. No	Name of the Member	No. of Meetings Attended
		11.11.2022
1.	<b>Mr. Sudhir Patel</b> (Chairman)	✓
2.	<b>Mr. Aditya Patel</b> (Member)	✓
3.	<b>Mr. Sunil Merchant</b> (Member)	✓
4.	<b>Mrs. Maithali Siswawala</b> (Member)	X

**c) Nomination and Remuneration Committee:**

Sr. No	Name of Director	No. of Board Meetings Attended	
		18.07.2022	11.11.2022
1.	<b>Mr. Sudhir Patel</b> (Chairman)	✓	✓
2.	<b>Mr. Sunil Merchant</b> (Member)	✓	✓
3.	<b>Mrs. Maithali Siswawala</b> (Member)	✓	X

**E. Performance Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance, its committees and that of its individual Directors. The evaluation was done based on set questionnaires which were given to them at the time of evaluation.

**F. Code of Conduct:**

The Directors and senior management personnel has Complied with the Code of Conduct of the Company.

**G. Policy on Directors' Appointment and Remuneration:**

The Nomination and Remuneration Committee of the Board formulated a Policy relating to the remuneration of Directors, Key Managerial Personnel and other Employees which, inter alia, prescribes the criteria for determining qualifications, positive attributes and independence of Directors. The Policy is available on the web site of the Company [www.daikaffil.com](http://www.daikaffil.com) and the link for the same is provided below:

<http://www.daikaffil.com/products/101017045532-1.pdf>

**8. RISK MANAGEMENT POLICY**

The Board has been vested with specific responsibilities in assessing of risk management policy, process and system. The Board has evaluated the risks which may arise from the external factors such as economic conditions, regulatory framework, competition etc. The Executive management has embedded risk management and critical support functions and the necessary steps are taken to reduce the impact of risks. The Independent Directors expressed their satisfaction that the systems of risk management are defensible.

**9. SUBSIDIARY / ASSOCIATE COMPANY etc.**

The Company doesn't have any Subsidiary or Holding or Associate Company.

**10. AUDITORS**

**a. Statutory Auditors:**

M/S NGST & Associates, Chartered Accountants, Mumbai, bearing Firm Registration Number: 135159W were appointed by the members at their 30th Annual General Meeting held in 2022 for five years.

Further, there is no qualification, adverse remark or observation in their audit report. However, there is emphasis on matter cited by the auditor which is self-explanatory.

No instance of fraud was reported by the Auditors during the year.

The Company has received Eligibility certificate letter from NGST & Associates, Chartered Accountants, Mumbai, to the effect that their appointment, is within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment.

**b. Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rule 9A of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed DM & Associates Company Secretaries LLP, Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditors in Form MR - 3 is annexed herewith as **"Annexure A"**.

**Further there is no observation contained in the secretarial audit report.**

**c. Internal Auditor:**

As required under Section 138 of the Companies Act, 2013 and Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Audit function is carried out by M/S JMT & Associates, Chartered Accountants. The Internal Auditors present their report to the Audit Committee. The scope, functioning, periodicity and methodology for conducting the internal audit has been formulated in consultation with the Audit Committee and the Board of Directors.

**11. CORPORATE GOVERNANCE REPORT**

The paid-up capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crores) i.e. less than Rs. 10 Crores and the Net-worth of the Company is less than 25 Crores as on the last day of the previous financial year.

Pursuant to regulation 15(2) of SEBI (LODR) Regulations, 2015 the compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V SHALL NOT apply, in respect of those listed entities whose paid up equity share capital does not exceed rupees ten crore and net worth does not exceed rupees twenty five crore, as on the last day of the previous financial year. Accordingly, your company is **exempt** from attaching Corporate Governance report.

**12. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion & Analysis Report, as per Part B of Schedule V under regulation 34(3) of the SEBI (LODR) Regulations, 2015 which forms an integral part of this Report, is annexed herewith as **"Annexure B"**.

**13. DISCLOSURE ON REMUNERATION OF DIRECTORS/KEY MANAGERIAL PERSONNEL (KMP) /EMPLOYEES**

The information required under Section 197 read with Rule, 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, is annexed herewith as "Annexure C".

**14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 134 (3) (m) of the Companies Act, 2013 read together with the Rule 8 of the Companies (Accounts) Rules, 2014 the relevant information is given below.

**Conservation of Energy and Technology Absorption**

Your Company has installed a wet scrubber on boiler which will reduce the consumption of coal and more importantly protect the environment. This will minimize the carbon particles being released in the atmosphere. A tertiary treatment plant on line to reduce the water pollution load has also been installed.

The electrical instruments have been connected on line which has reduced the power consumption. Our Japanese collaborators have guided us on regular basis and we thereby conserve energy and reduce our waste water load.

**Foreign Exchange Earnings and Outgo:**

	(₹ in Lacs)
Foreign Exchange Earnings:	NIL
Foreign Exchange Outgo:	NIL

**15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186:**

The Company has not given any loans covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the notes to the financial statements.

**16. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes / events occurring after balance sheet date till the date of the report to be stated.

**17. RELATED PARTY TRANSACTIONS:**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions entered during the year under review with the Promoters, Directors or Key Managerial Personnel. All Related Party Transactions, if any, are placed before the Audit Committee.

**18. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS & EMPLOYEES**

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases. Details of the Vigil Mechanism policy are made available on the Company's website [www.daikaffil.com](http://www.daikaffil.com).

The link for the same has been provided below:

<http://www.daikaffil.com/products/010415064143-1.PDF>



**19. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors make the Directors' Responsibility Statement in terms of Section 134(3) (c) of the Companies Act, 2013 and confirm that-

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- vi) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

**20. SECRETARIAL STANDARDS**

The Directors confirm that the Company is in compliance with applicable secretarial standards issued by Institute of Company Secretaries of India.

**21. PARTICULARS OF EMPLOYEES**

The Company does not have any employee whose particulars are required to be given pursuant to Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

**22. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has in place Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under this policy.

There are no cases filed under the above Act and hence no comments required on disposal of the cases under the same.

No. of complaints filed during the financial year	No. of complaints disposed off during the financial year	No. of complaints pending as at end of the financial year
0	0	0

**23. PERSONNEL:**

Industrial relations at the Company's factory and other establishments remained cordial during the year. We appreciate the contribution made by the employees.

**24. OVERVIEW OF THE INDUSTRY AND IMPORTANT CHANGES IN THE INDUSTRY DURING THE LAST YEAR AND EXTERNAL ENVIRONMENT AND ECONOMIC OUTLOOK:**

The information pertaining to overview of the industry and important changes in the Industry and External Environment and Economic Outlook during the last year has been incorporated in Management Discussion and Analysis part of the report. The same forms part of the report.

**25. INDUCTION OF STRATEGIC AND FINANCIAL PARTNERS DURING THE YEAR:**

During the year under review, your Company did not induct any Strategic and Financial Partner.

**26. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Pursuant to provisions of Section 124(5) of the Companies Act, 2013, dividend for the financial year ended March 31, 2015 and thereafter, which remains unclaimed for a period of 7 years shall be transferred by the Company to Investor Education and Protection Fund established by the Central Govt.

Information in respect of such unclaimed dividend when due for transfer to the fund is given below:

Financial Year	Type of Dividend	Date of Declaration	Remained Unclaimed for 7 years (Due date shall be plus 30 days)	Amount lying in the Account as on 31.03.2023
2015-2016	Final Dividend	02-09-2016	06-10-2023	193,663.00
2016-2017	Final Dividend	04-08-2017	11-09-2024	347,716.30
2017-2018	Final Dividend	10-08-2018	17-09-2025	159,062.40
2019-2020	Interim Dividend	11-02-2020	18-03-2027	110,991.30

Those Members who have so far not encashed their dividend warrants from the final dividend from F.Y. 2015 - 2016 onwards, may approach the Registrar and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd, for making their claim without any further delay as the said unpaid dividends shall be transferred to the Investor Education and Protection Fund of the Central Government pursuant to the provisions of Companies Act.

In terms of Section 124(6) of Companies Act, 2013 and the Rules notified there under, including amendments thereof, the shares in respect of which dividend has not been paid or claimed for a period of seven consecutive years or more, are required to be transferred by the Company to the IEPF Suspense Account.

Accordingly, the Company has transferred shares to IEPF Suspense Account in respect of which dividend has not been paid or claimed since 2014-15. The summary for the same is given below:

Name of Depository	Demat Account Maintained with	Account details
CDSL	SBICAP Securities Limited	DP ID: 1204 7200 Client ID:1367 6780

the break-up/details of total number of shares transferred to Investor Education and Protection Fund (IEPF) is provided below:

<b>Shares held with :</b>	<b>Number of records</b>	<b>Number of shares (Quantity)</b>
CDSL	1	200
NSDL	0	0
Physical	39	14900
<b>Total</b>	<b>40</b>	<b>15100</b>

The details of unpaid / unclaimed dividend and number of shares transferred are available on our website: ([www.daikaffil.com](http://www.daikaffil.com))

Shareholders are requested to note that no claim shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years and transferred to Investor Education and Protection Fund of the Central Government. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Suspense Account as per the applicable provisions of Companies Act, 2013 and rules made thereunder.

**27. ACKNOWLEDGEMENT :**

The Directors wish to place on record their appreciation for the continued support and co-operation by Government Authorities, Financial Institutions, Banks and our valued customers along with dedicated service of all the workers, staff and the officers, whose continuous support is a pillar of strength which have largely contributed to the efficient management of the Company. Suffice it to say, that your co-operation as our shareholders is hereby acknowledged with gratitude.

*For and On Behalf of the Board of Director*  
**DAIKAFFIL CHEMICALS INDIA LIMITED**

<b>Sd/-</b> <b>ADITYA PATEL</b> (MANAGING DIRECTOR) (DIN: 00005276)	<b>Sd/-</b> <b>AMIT PATEL</b> (DIRECTOR) (DIN: 00005232)
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**Date: May 22, 2023**



## SECRETARIAL AUDIT REPORT

## Annexure A

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

To,  
The Members,  
**Daikaffil Chemicals India Limited**  
Mumbai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Daikaffil Chemicals India Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- (iv) The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings were not applicable to the Company under the financial year under report;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI') were not applicable to the Company under the financial year under report:-

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018;
- b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2018;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the Environment, Pollution and Safety and other related Laws, Rules, Regulations and related compliances specifically applicable to the Company.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The following are the major head / groups of Acts, Laws and Regulations as applicable to the Company:

- a. Factories Act, 1960.
- b. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis related to Salary & Wages, Bonus, Gratuity, Provident Fund, ESIC, Compensation and Benefits etc.
- c. Labour Welfare Act of the Central and respective states.
- d. Acts prescribed under Direct Tax and Indirect Tax Laws by the Central and respective State Governments.
- e. Land Revenue Laws of respective states.
- f. Local laws as applicable to various offices and Premises of the Company.
- g. Environment Protection Act, 1986 and other environmental laws.
- h. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003.
- i. Industrial Disputes Act, 1947.
- j. Indian Stamp Act, 1999
- k. Indian Contract Act, 1872
- l. Negotiable Instruments Act, 1881

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreement entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors in respect of re-appointment of Independent Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

None of the members have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there was no specific action was taken by the Company having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines.

**Place: Mumbai**

**Date: 18-05-2023**

**For DM & Associates Company Secretaries LLP  
Company Secretaries**

**Sd/-  
Mohd Akram  
Partner  
ACS NO A22589  
C P NO 9411  
UDIN: A022589E000327443**

**Note: This report is to be read with our letter of even date that is annexed as Annexure - I and forms an integral part of this report.**

**ANNEXURE A**

To,  
The Members,  
**Daikaffil Chemicals India Limited**  
Mumbai

Our report of even date is to be read along with this letter,

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, we 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 management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For DM & Associates Company Secretaries LLP**  
**Company Secretaries**

**Sd/-**  
**Mohd Akram**  
**Partner**  
**ACS NO A22589**  
**C P NO 9411**  
**UDIN: A022589E000327443**

Place: Mumbai  
Date: 18-05-2023

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**MANAGEMENT DISCUSSION AND ANALYSIS**
**Annexure B****INDUSTRY STRUCTURE & DEVELOPMENT**

The Chemical Industry is essential for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy. The Chemical Industry in India is a key constituent of Indian economic contributory factor in the GDP. In terms of volume, Chemical industry in India is the third largest producer in Asia and sixth largest in the world.

Considering this fact, the Government is taking various initiatives for the growth and development of the sector. 100 per cent FDI is permissible in the Indian chemicals sector while manufacturing of most chemical products is de-licensed. It is expected that new initiatives are likely to attract large investments, both domestic and foreign, with requisite improvements in infrastructure and competition. The government has also been encouraging Research and Development (R&D) in the sector. Moreover, the government is continuously reducing the list of reserved chemical items for production in the small-scale sector, thereby facilitating greater investment in technology up-gradation and modernisation.

**FINANCIAL AND OPERATIONAL PERFORMANCE**

Members are hereby informed that due to manufacturing orders drying up, the costs had become higher than the revenue, thereby incurring losses. To restrict any further erosion of capital due to the losses the management undertook certain cost saving measures. The management decided to undertake a planned shutdown in FY 2021-22 of the factory for sometime so that the fixed cost of plant is saved. Certain workers/labourer were retrenched and base workers were retained for the plant upkeep so that as and when the plant restarts, the condition of the plant should be good for manufacturing.

The Members are further informed that, the Company is into the business of Chemical manufacturing since 1992 and trading of the same, it has necessary expertise and appropriate network of vendors in India and abroad and hence, in the interim, the Trading activities are being carried out of Dyes and Dyes intermediates including optical brightener and related group products so that the margins from that can help in sustaining the other costs. As and when sales orders start flowing, the plant will be operational again and the capacity will be restored gradually.

The Members are further informed that, the Company has issued the retrenchment letters ONLY to workmen at the plant and all benefits due to them including retrenchment compensation under applicable labour laws have already been paid and the same is duly reflected in the books of the Company and in Management's view no additional provision is required in the books towards retrenchment of workmen at the plant.

The following table exhibits, in summary, the financial performance of the Company for the year in relation to previous year.

	<b>F.Y. 2022-23</b>	<b>F.Y. 2021-22</b>
Sales Growth [%]	<b>(-)92.19%</b>	(-)27.63%
Domestic Sales Growth [%]	<b>(-)64.07%</b>	(-)48.42%
Export Sales Growth [%]	<b>(-)100.00%</b>	(-)18.50%

**PRODUCT WISE PERFORMANCE AND ITS OUTLOOK**

In accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules, 2006 and based on characteristics of products, production processes and the class of customers, the Company is in one range of product i.e. Organic Dyes and Intermediaries:

**Optical brighteners**

Optical brighteners, or fluorescent whitening agents, are used to make plastics, fibers, coatings, inks, and detergents appear whiter and brighter. These products function by absorbing invisible ultraviolet light and re-emitting it as visible light in the blue range of the spectrum. These products are particularly useful to mask the yellowish cast sometimes observed in plastics and fibers after high temperature processing operations. They are also used in substrates containing pigments or dyes to make colours appear more brilliant. Optical brighteners are also used in the production of uncoated fine paper, particularly in uncoated fine paper grades containing high-yield pulp (HYP). Increasing level of whiteness and the HYP substitution in fine papers have increased the importance of optical brighteners globally in the recent years.

**Naphthol**

Naphthol is an organic compound used to manufacture organic Pigments/Master batch. Pigments are used for colouring paint, ink, plastic, fabric, cosmetics, foods and other materials. Most pigments used in manufacturing and the visual arts are dry colorants, usually ground into a fine powder. The Company is very optimistic about Naphthol grounders because of its Japanese quality. The entire range of Naphthol grounders are being consumed by MNCs. and its printing Ink manufacturers in Japan. The demand of the product has been rising rapidly in Europe & Japan. Looking at the product portfolio and demand in international market the company foresee a wide scope of the business in near future and may increase capacity subject to approval from Maharashtra Pollution Control Board.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate system of internal controls commensurate with its size and nature of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial statements. These systems enable integrity of financial reporting and adherence to guidelines defined for the Company. Internal controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Corporate policies, management information and reporting system for key operational areas form part of overall control mechanism.

The Internal Audit plan and management actions are presented to the Audit Committee on quarterly basis. The Audit committee reviews adequacy of Internal Control System and the Internal Audit Reports and compliance thereof. The members of audit committee held discussions with the Internal and Statutory Auditors during the meetings of the Committee and all the quarterly and yearly financial statements of the Company were reviewed and recommended by Audit Committee for consideration and approval of the Board of directors.

**RISKS AND CONCERNS**

The Company foreign currency revenue earnings are significant and any appreciation or depreciation in the rupee can have a significant impact on revenue and profitability. We evaluate exchange rate exposure arising from these transactions and enter into foreign exchange instruments to mitigate risks arising out of movements in the rupee (INR). The Company have an appropriate internal control for monitoring the Forwards and future contracts.

Your Company has also shown its concern towards the environment safety. It is becoming more and more conscious about environmental norms, discharge of effluents and better safety for employees, quality standards and has also shown considerable improvement in the recent past.

**OPPORTUNITIES AND THREATS**

Your Company range of products are under Japanese technology and therefore we stand a better chance of facing competition from China and Indian manufacturers even though the prices are lower compared to ours. The Consumers are ready to pay the extra price for superior quality. The Company may consider expansion once it turns profitable.

**HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATION**

Your company emphasizes on the safety of people working in its premises, Structures safety meeting were held and safety programmes were organised for them throughout the year.

The total numbers of person employed in your company as on March 31, 2023 were 16

**Date: May 22, 2023**

For and On Behalf of the Board of Director

**DAIKAFFIL CHEMICALS INDIA LIMITED**

**Sd/-**

**Sd/-**

**ADITYA PATEL**

**AMIT PATEL**

Managing Director

Director

(DIN: 00005276)

(DIN: 00005232)

## Annexure C

## DISCLOSURE ON REMUNERATION

Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(a) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;

Name of the Director/Key Managerial Personnel	Designation	Directors Remuneration ₹	Ratio	Increase (%)
<b>Executive Directors</b>				
Aditya Patel	Managing Director	11,10,000	2.94:1	0%
<b>Non-Executive Directors (Sitting Fees)</b>				
Mr. Amit Patel	Director	60,000	0.16:1	(-)25%
Mr. Sudhir Patel	Director	1,10,000	0.29:1	(-)27%
Mr. Sunil Merchant	Director	1,10,000	0.29:1	(-)27%
Mrs. Maithili Siswawala	Director	55,000	0.15:1	(-)105%
Ms. Seemab Ansari	Company Secretary	2,10,000	0.56:1	NA
Mr. Sunil Shedge (CFO)	Chief Financial Officer	7,74,300	2.05:1	NA

(b) Median remuneration of the Company for all its employees is 3,77,880/- for the financial year 2022-23.

(c) the number of permanent employees on the rolls of Company: 16

(d) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Note - there is no increment

(e) Affirmation that the remuneration is as per the remuneration policy of the Company.

All remuneration of the Directors and Key Managerial Personnel are decided by Nomination & Remuneration Committee and by the Board of Directors.

(f) Names of top ten employees of the Company

Sr. No	Name of the Employee	Designation	Salary
1.	MOHAN P.S.	Manager - Export/import	8,09,820
2.	SUNIL B. SHEDGE	Manager - Finance	7,74,300
3.	GANESH P. IYER	Factory Manager	6,82,620
4.	DINESH PIMPLE	Production officer	5,83,953
5.	SWAPAN S. MANDAL	Import Executive	4,11,360
6.	JOAQUIM F. PADU	Accountant	4,03,800
7.	CHIRAG B. SHAH	Accountant	3,83,640
8.	DIGAMBAR D. SAWANT	Purchase Manager	3,77,880
9.	SANJAY P.JADHAV	Office Assistant	2,70,000
10.	ANANT S.KHAMKAR	Office Assistant	2,70,000

(g) Employees who have resigned/ retired during the year

Mr. Amit Ankush Parab

For and On Behalf of the Board of Director  
DAIKAFFIL CHEMICALS INDIA LIMITED

Sd/-  
**ADITYA PATEL**  
Managing Director  
(DIN: 00005276)

Sd/-  
**AMIT PATEL**  
Director  
(DIN: 00005232)

Date: May 22, 2023

## INDEPENDENT AUDITORS' REPORT

**To the Members of****Daikaffil Chemicals India Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **Daikaffil Chemicals India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards 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 March 31, 2023, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements 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 Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI"), together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 financial statements.

**Emphasis of Matter - Material Uncertainty related to Going Concern**

We draw attention to Note No. 42 to the financial statements which describes the facts about planned closure of manufacturing operations for limited period of time, primarily on account of dry-up of sales orders and management's actions to reduce the fixed costs and focus on increasing trading activities till the time manufacturing operations restart.

The management does not foresee any threat to going concern status of the company and prepared the financial statements of the company on going concern basis for the reasons elaborately discussed in the said Note. In forming our conclusion, we have considered the adequacy of the disclosure made in above referred Note. However, the plans described therein depend upon how the future events unfold and indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these financial statements of the current period. These matters were addressed in the context of our audit of the 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 that there are no key audit matters to be communicated in our report.

**Information Other than the Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included Board's Report including Annexure to Board's Report, Management Discussion and Analysis and Shareholder's Information but does not include the financial statements and our Auditors' report thereon.

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

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

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

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

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

In preparing the financial statements, the Board of Directors 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branch not visited by us.
  - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e. The matter described in Material Uncertainty related to Going Concern paragraph mentioned hereinabove, in our opinion, may have an adverse effect on the functioning of the Company;
  - f. On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - h. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act.

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- 
- i. 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 37 to the financial statements.
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses as at March 31, 2023.
  - iii. there has been no delay in transferring the amount, 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, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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 the like on behalf of the Ultimate Beneficiaries;
  - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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; and
  - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year.

**For NGST & ASSOCIATES**  
**Chartered Accountants**  
**Firm's Registration No:135159W**

**BHUPENDRA GANDHI**  
**Partner**  
**Membership No:122296**

**UDIN: 23122296BGUOHO6229**

**Place: Mumbai**  
**Date: May 22,2023**

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

Annexure referred to in Independent Auditors' Report to the members of **Daikaffil Chemicals India Limited** ("the Company") on the financial statements for the year ended March 31, 2023, we report that :

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company does not have any intangible assets and therefore, reporting under clause (i)(a)(B) of the Order is not applicable to the Company.
- (b) The Company has a regular program of physical verification of property, plant and equipment and Right of use assets which, in our opinion is reasonable. The assets which were to be covered as per the said program have not been physically verified by the management during the year. As the management has not carried out any verification during the year, we are unable to comment whether the discrepancies, if any, are material.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in financial statements are held in the name of the Company.
- (d) The Company has revalued its Property, Plant and Equipment (including Leasehold land) during the year. The revaluation is based on the valuation by a Registered Valuer. The amount of increase in the net carrying value of leasehold land is of ₹ 88.69 Lakhs, i.e. approx. 12.68% and plant and machinery is of ₹ 101.60 Lakhs, i.e. approx. 97.32 % increase of the net carrying value prior to revaluation.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventory of finished goods, stores, spare parts and raw materials have been physically verified by the management. In our opinion, the coverage and procedure of such verification by management is appropriate. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were less than 10% in aggregate for each class of inventories and have been properly dealt with in the books of account.
- (b) The Company has not availed any working capital limits at any point of time during the year, from banks or financial institutions and therefore, reporting under clause (ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investments, provided any guarantee or security, or granted any loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year, and therefore, reporting under Clause (iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 186 of the Act in respect of the Investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are considered to be deemed deposits during the year, hence directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder are not applicable to the Company. According to information and explanations provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) The maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013, is not applicable to the company in view of rule 3 of the Companies (Cost Records and Audit) Rules, 2014, as amended.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, Cess and any other statutory dues applicable to it with the appropriate authorities. Further, no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, Cess and any other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues as referred to in sub clause (a) above which have not been deposited on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not taken any loans or other borrowings from any lender and therefore, reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and therefore, reporting under clause (ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the records of the company, we report that the company has not taken any funds from any entity or person and does not have any subsidiary, associates or joint venture and therefore, reporting under clause (ix) (e) of the order is not applicable to the Company.
- (f) The Company has not raised any loans during the year and therefore reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and therefore, reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report 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 during the year and upto the date of this report.
- (c) According to the information and explanations given to us, no whistle blower complaints were received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

- (i) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- (ii) According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a), 3(xvi)(b), 3(xvi)(c) & 3(xvi)(d) is not applicable.
- (iv) The Company has incurred cash losses of Rs. 178.69 lakhs during the financial year covered by our audit however, there were no cash losses in the immediately preceding financial year.
- (v) There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (vi) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the management does not foresee any threat to going concern status of the company and prepared the financial statements of the company on going concern basis for the reasons elaborately and discussed in the Note No. 42 to the financial statements. However, the plans described therein depend upon how the future events unfold and indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.
- Based on our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating 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. We further state that our above comments under this clause are to be read with para on "Material uncertainty related to going concern" given in our independent audit report.
- (vii) The company is not required to spend any amount towards Corporate Social Responsibility (CSR), in view of provisions of Section 135 of the Act and hence reporting under clause 3(xx)(a) & (b) of the Order is not applicable to the Company.
- (viii) The Company is not required to prepare consolidated Financial Statements and therefore, reporting under this clause of the Order is not applicable to the Company.

**For NGST & ASSOCIATES**  
**Chartered Accountants**  
**Firm's Registration No:135159W**

**BHUPENDRA GANDHI**  
**Partner**  
**Membership No:122296**

**UDIN: 23122296BGUOH06229**

**Place: Mumbai**  
**Date: May 22,2023**

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

**Annexure referred to in Independent Auditors' report of even date to the members of Daikaffil Chemicals India Limited on the financial statements for the year ended March 31, 2023**

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **Daikaffil Chemicals India Limited** ("the Company") as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls with reference to financial statement and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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' 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023 based on the internal financial control with reference to financial statements 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.

**For NGST & ASSOCIATES**

**Chartered Accountants**

**Firm's Registration No:135159W**

**BHUPENDRA GANDHI**

**Partner**

**Membership No:122296**

**UDIN: 23122296BGUOHO6229**

**Place: Mumbai**

**Date: May 22,2023**

**Balance Sheet as at March 31, 2023**

(₹ in Lakhs)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
(1) <b>Non-current assets</b>			
(a) Property, Plant and Equipments	3	499.22	575.07
(b) Right-of-use assets	3	743.64	817.39
(c) Capital work-in-progress	3.1	4.61	4.61
(d) Financial Assets			
(i) Investments	4	18.72	18.72
(ii) Loans	5	0.41	1.77
(iii) Others	6	18.69	14.98
(e) Non Current Tax Assets (Net)	7	10.01	10.81
Total Non- Current Assets		1,295.30	1,443.35
(2) <b>Current assets</b>			
(a) Inventories	8	116.69	162.44
(b) Financial assets			
(i) Trade receivables	9	-	14.22
(ii) Cash and cash equivalents	10	100.17	856.54
(iii) Bank balances other than (ii) above	11	54.38	72.13
(iv) Loans	12	1.68	1.68
(v) Others	13	721.33	1.80
(c) Other current Assets	14	20.38	80.67
<b>Total Current Assets</b>		1,014.63	1,189.48
<b>Total Assets</b>		2,309.93	2,632.83
<b>EQUITY AND LIABILITIES</b>			
(a) Equity Share capital	15	600.00	600.00
(b) Other Equity	16	1,611.50	1,852.24
<b>Total Equity</b>		2,211.50	2,452.24
<b>Liabilities</b>			
(1) <b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Lease Obligation		-	21.37
(b) Provisions	17	-	6.90
(c) Deferred tax liabilities (Net)	18	71.27	97.40
<b>Total Non- Current Liabilities</b>		71.27	125.67
(2) <b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	19		
(A) due to micro enterprises and small enterprises		-	-
(B) due to other than micro enterprises and small enterprises		3.14	12.04
(ii) Lease Obligation		-	15.99
(iii) Other Financial liabilities	20	13.64	20.09
(b) Other current liabilities	21	1.10	1.83
(c) Provisions	22	9.28	4.97
<b>Total Current Liabilities</b>		27.16	54.92
<b>Total Liabilities</b>		98.43	180.59
<b>Total Equity and Liabilities</b>		2,309.93	2,632.83
Significant Accounting Policies and Notes to Financial Statements	1-48		

As per our report of even date attached.

**For NGST & ASSOCIATES**
**Chartered Accountants**
**Firm's Registration No:135159W**
**For and on behalf of the Board of Directors**
**Bhupendra S. Gandhi**  
 Partner  
 Membership No. 122296

 Sd/-  
**ADITYA A. PATEL**  
 Managing Director  
 (DIN : 00005276)

 Sd/-  
**AMIT J. PATEL**  
 Director  
 (DIN : 00005232)

 Sd/-  
**SUNIL H. MERCHANT**  
 Director  
 (DIN : 01064306)

 Place : Mumbai  
 Date : May 22, 2023

 Sd/-  
**SUNIL SHEDGE**  
 Chief Financial Officer  
 (PAN NO. AEGPS7390B)

 Sd/-  
**SEEMAB ANSARI**  
 Company Secretary  
 (Membership No. A33499)

 Place : Mumbai  
 Date : May 22, 2023



**Statement of Profit and Loss for the year ended March 31, 2023**

(₹ in Lakhs)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I Revenue from operations</b>	<b>23</b>	<b>63.71</b>	815.62
II Other income	<b>24</b>	<b>47.32</b>	46.64
<b>III Total Income : (I+II)</b>		<b>111.03</b>	862.26
<b>IV Expenses</b>			
(a) Cost of raw materials consumed	<b>25</b>	<b>45.75</b>	360.93
(b) Purchase of Stock-in-trade	<b>26</b>	<b>4.63</b>	184.39
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	<b>27</b>	-	39.90
(d) Employee benefit expense	<b>28</b>	<b>120.63</b>	239.10
(e) Finance costs	<b>29</b>	<b>0.66</b>	3.39
(f) Depreciation and amortisation expense	<b>30</b>	<b>121.46</b>	112.57
(g) Other expenses	<b>31</b>	<b>84.79</b>	194.81
<b>Total expenses : (IV)</b>		<b>377.92</b>	1,135.09
<b>V Profit before tax (I-IV)</b>		<b>(266.89)</b>	(272.83)
<b>VI Tax Expense :</b>	<b>32</b>		
(1) Current Tax		-	-
(2) Deferred Tax		<b>(26.15)</b>	(20.86)
(3) Tax Adjustment of earlier year		-	-1.63
		<b>(26.15)</b>	<b>(22.49)</b>
<b>VII Profit for the year (V-VI)</b>		<b>(240.74)</b>	<b>(250.34)</b>
<b>VIII Other Comprehensive Income (OCI)</b>			
A (i) Items that will not be reclassified to profit or loss.			
- Employee Benefits		-	(7.92)
- Changes in revaluation surplus		-	198.14
(ii) Income Tax relating to item that will not be reclassified to profit or loss.			
- Employee Benefits (Def. Tax)		-	2.20
- Depreciation Effect on Revaluation (Def. Tax)			
- Reversal of Earlier Provision for Doubtful Debts (Def. Tax)			
- Changes in revaluation surplus (Def Tax)		-	(48.19)
B (i) Items that will be reclassified to profit and loss		-	-
(ii) Income Tax relating to item that will be reclassified to profit and loss.			
<b>IX Total Comprehensive Income for the year (VII+VIII) (Comprising Profit (Loss) and other comprehensive Income for the year)</b>		<b>(240.74)</b>	<b>(106.11)</b>
<b>X Earnings per Equity share Basic &amp; Diluted</b>	<b>33</b>	<b>(4.01)</b>	<b>(4.17)</b>
<b>Significant Accounting Policies and Notes to Financial Statements</b>	<b>1-48</b>		

As per our report of even date attached.

**For NGST & ASSOCIATES**
**Chartered Accountants**
**Firm's Registration No:135159W**

For and on behalf of the Board of Directors

**Bhupendra S. Gandhi**  
 Partner  
 Membership No. 122296

 Sd/-  
**ADITYA A. PATEL**  
 Managing Director  
 (DIN : 00005276)

 Sd/-  
**AMIT J. PATEL**  
 Director  
 (DIN : 00005232)

 Sd/-  
**SUNIL H. MERCHANT**  
 Director  
 (DIN : 01064306)

 Place : Mumbai  
 Date : May 22, 2023

 Sd/-  
**SUNIL SHEDGE**  
 Chief Financial Officer  
 (PAN NO. AEGPS7390B)

 Sd/-  
**SEEMAB ANSARI**  
 Company Secretary  
 (Membership No. A33499)

 Place : Mumbai  
 Date : May 22, 2023



**Statement of Cash Flows for the year ended on March 31,2023**
**(₹ in Lakhs)**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (loss) before Tax and extraordinary items	(266.89)	(272.83)
ADJUSTMENTS FOR :		
Depreciation and amortisation expenses	121.46	112.57
Finance Charge	0.66	3.28
Provision for non moving inventories	-	36.42
Reversal of impairment of receivables	-	0.23
Sundry Balanace written off	(0.28)	
Unrealised Exchange gain/(loss)	(0.11)	(0.05)
Rent Concession	(6.33)	(9.71)
Interest Income	(40.60)	(30.66)
<b>OPERATING LOSS BEFORE WORKING CAPITAL CHANGES.</b>	<b>(192.08)</b>	<b>(160.75)</b>
ADJUSTMENTS FOR :		
Trade and other Receivables	14.22	75.78
Inventories	45.75	105.54
Loans and Other Financial Assets	(721.88)	0.76
Item relating to Other Comprehensive Income	-	(7.92)
Other Assets	60.82	11.49
Trade payable	(8.90)	(106.43)
Other Financial Liabilities	(6.45)	(15.24)
Other Liabilities and provisions	(4.14)	4.19
	<b>(620.57)</b>	<b>68.17</b>
<b>Cash Generated from Operations</b>	<b>(812.65)</b>	<b>(92.58)</b>
Direct Taxes (net off refund)	1.43	6.74
<b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>	<b>(811.22)</b>	<b>(85.84)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Including Capital WIP)	(1.25)	(10.72)
Fixed Deposit Investment (net)	17.75	0.09
Interest on Fixed Deposits	40.60	30.66
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>57.10</b>	<b>20.03</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Lease Rent Paid	(2.25)	(12.00)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(2.25)</b>	<b>(12.00)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(756.37)</b>	<b>(77.81)</b>
<b>CASH &amp; CASH EQUIVALENTS COMPRISES OF:</b>		
Opening Balance at Beginning of the year	856.54	934.35
Closing Balance at the End of the year	100.17	856.54
<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(756.37)</b>	<b>(77.81)</b>
<b>Notes:</b>		
<b>1 Cash and Cash equivalents comprise of:</b>		
Cash on Hand	0.37	0.37
Balance with Banks	99.80	856.17
<b>Cash and Cash equivalents</b>	<b>100.17</b>	<b>856.54</b>
Effect of unralised foreign exchange(gain)/loss (net)	-	-
<b>Cash and Cash equivalents as restated</b>	<b>100.17</b>	<b>856.54</b>
<b>2</b> The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 - "Statement of Cash Flows".		
<b>3</b> Figures of the previous year have been regrouped / reclassified wherever necessary.		

**As per our report of even date attached.**
**For NGST & ASSOCIATES**
**Chartered Accountants**
**Firm's Registration No:135159W**
**For and on behalf of the Board of Directors**
**Bhupendra S. Gandhi**  
**Partner**  
**Membership No. 122296**
**Sd/-**  
**ADITYA A. PATEL**  
**Managing Director**  
**(DIN : 00005276)**
**Sd/-**  
**AMIT J. PATEL**  
**Director**  
**(DIN : 00005232)**
**Sd/-**  
**SUNIL H. MERCHANT**  
**Director**  
**(DIN : 01064306)**
**Place : Mumbai**  
**Date : May 22, 2023**
**Sd/-**  
**SUNIL SHEDGE**  
**Chief Financial Officer**  
**(PAN NO. AEGPS7390B)**
**Sd/-**  
**SEEMAB ANSARI**  
**Company Secretary**  
**(Membership No. A33499)**
**Place : Mumbai**  
**Date : May 22, 2023**

Statement of Changes in Equity for the Year Ended March 31, 2023

(a) Equity share capital

Particulars	No. of Shares	(₹ in Lakhs)
Balance As at 1-April - 2021	60,00,000	600.00
Changes in Equity Share Capital During the year	-	-
<b>Balance As at March 31, 2022</b>	<b>60,00,000</b>	<b>600.00</b>
Changes in Equity Share Capital During the year	-	-
<b>Balance As at March 31, 2023</b>	<b>60,00,000</b>	<b>600.00</b>

(b) Other Equity

(₹ in Lakhs)

Particulars	General Reserve	Securities Premium	Retained Earnings	Revaluation Reserve on PPE	Total Other Equity
Balance As at April 01, 2021	202.00	34.49	879.48	842.39	1,958.36
Profit/(Loss) For the Year	-	-	(250.36)	-	(250.36)
Other Comprehensive Income	-	-	(7.92)	-	(7.92)
Total Comprehensive Income	-	-	(258.28)	-	(258.28)
Deferred Tax (Other Comprehensive Income)	-	-	2.20	(48.19)	(45.99)
<b>Revaluation of PPE</b>				<b>198.14</b>	<b>198.14</b>
<b>Balance As at April 01, 2022</b>	<b>202.00</b>	<b>34.49</b>	<b>623.41</b>	<b>992.34</b>	<b>1,852.24</b>
Profit/(Loss) For the Year	-	-	(240.74)	-	(240.74)
Other Comprehensive Income	-	-	-	-	-
Revaluation of PPE	-	-	-	-	-
Total Comprehensive Income	-	-	(240.75)	-	(240.74)
Transfer to Retained Earning on Account of Depreciation Effect & for Revaluation of PPE	-	-	-	-	-
Deferred Tax (Other Comprehensive Income)	-	-	-	-	(0.01)
<b>Balance As at March 31, 2023</b>	<b>202.00</b>	<b>34.49</b>	<b>382.65</b>	<b>992.34</b>	<b>1,611.48</b>

As per our report of even date attached.

For NGST & ASSOCIATES

Chartered Accountants

Firm's Registration No:135159W

For and on behalf of the Board of Directors

Bhupendra S. Gandhi  
Partner  
Membership No. 122296

Sd/-  
ADITYA A. PATEL  
Managing Director  
(DIN : 00005276)

Sd/-  
AMIT J. PATEL  
Director  
(DIN : 00005232)

Sd/-  
SUNIL H. MERCHANT  
Director  
(DIN : 01064306)

Place : Mumbai  
Date : May 22, 2023

Sd/-  
SUNIL SHEDGE  
Chief Financial Officer  
(PAN NO. AEGPS7390B)

Sd/-  
SEEMAB ANSARI  
Company Secretary  
(Membership No. A33499)

Place : Mumbai  
Date : May 22, 2023

**Notes to the Financial Statements for the year ended March 31, 2023**

**1. Corporate Information**

These financial statements of "Daikaffil Chemicals India Limited" ("the Company") are for the year ended March 31, 2023. The Company is a domestic public limited company incorporated and domiciled in India with registered office situated at E-4, M.I.D.C. Tarapur, Boisar Dist. Thane Boisar, Maharashtra- 401506 and is listed on the Bombay Stock Exchange (BSE). The Company is engaged in manufacturing of organic chemicals and intermediaries and trading of chemicals.

**2. Significant Accounting Policies**

**i) Statement of Compliance**

These Financial Statements have been prepared in accordance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.

**ii) Basis of Preparation**

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values / revalued amount/amortized cost / net present value at the end of each reporting period, as explained in the relevant accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's presentation and functional currency. All values are rounded off to the nearest lakh (up to two decimals), except where otherwise indicated.

**Fair Value Measurement**

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 under current market conditions.

The Company categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (i) Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities
- (ii) Level 2: inputs are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (iii) Level 3: inputs are unobservable for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

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.

**iii) Property, Plant and Equipment**

Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE are stated at revalued amounts, net of accumulated depreciation and accumulated impairment losses, if any; until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, if any), any cost directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Direct costs are capitalized until the asset is ready for use and includes borrowing cost eligible for capitalisation, if any, in accordance with the Company's accounting policy.

Capital work in progress includes the cost of PPE that are not yet ready for the intended use.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is provided on the cost of Property, Plant and Equipment (other than on Freehold land) less their estimated residual value, using the straight-line method over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013.

Useful lives of following class of PPE are as prescribed under Part C of Schedule II to the Companies Act, 2013, which are as under:-

<b>Asset Description</b>	<b>Assets Useful life (in Years)</b>
Factory Building	30
Building other than Factory Building	60
Plant & Machinery	20
Laboratory Equipment	10
Office Equipments	5
Computers	3
Furniture, Fixtures and Electrical Installation	10
Vehicle	8

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Leasehold land is valued at fair value and being amortised on a straight-line basis over the residual lease term.

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

The Company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit & Loss. If at the reporting period, there is an indication that there is change in the previously assessed impairment loss, the recoverable amount is reassessed and the asset is reflected at the lower of its recoverable amount and the carrying amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognised earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates which has the effect of increasing the asset's recoverable amount since the previous impairment loss was recognised. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that has been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognised in the Statement of Profit and Loss.

**vi) Inventories**

Inventories are valued at lower of cost and net realisable value after providing for impairment and other losses, where considered necessary. The basis of determining the value of each class of inventory is as follows:

<b>Inventories</b>	<b>Cost Formulae</b>
Raw Material, packing materials, fuels and stores and spares	At Cost on first-in-first out basis (Net of eligible credit)
Raw Material (Goods in transit)	At invoice price
Work-in-progress	At Cost, comprising of raw material cost, labour cost and appropriate proportion of manufacturing expenses and overheads.
Finished Goods (Including in Transit)	At Cost, comprising of raw material cost, labour cost and appropriate proportion of manufacturing expenses and overheads.
Traded Goods	Cost includes purchase price and other costs incurred in bringing the inventories to the present location and condition

**vii) Revenue Recognition**

Revenues from sale of goods are recognised upon transfer of control of the goods to the customer in an amount that reflects the consideration which the company expects to receive in exchange for those goods.

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration & customer's right to return the goods and the same represents amounts receivable for goods in the normal course of business. Revenue also excludes taxes collected from customers.

Revenue is recognised at a point in time on accrual basis as per the terms of the contract, when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

When sales discount and rebate arrangements result in variable consideration, appropriate estimates are made and estimated variable consideration is recognised as a deduction from revenue at the point of sale (to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not be required). The Company typically uses the expected value method for estimating variable consideration, reflecting that such contracts have similar characteristics and a range of possible outcomes.

The contract asset or a contract liability is recognised when either party to a contract has performed, depending on the relationship between the entity's performance and the customer's payment. When the company has a present unconditional rights to consideration, it is recognised separately as a receivable.

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend income is recognised when the right to receive the same is established.

Export incentives (Duty Drawback Scheme benefits) are accrued in the year when the right to receive the same is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization/ utilization of such benefits/ duty credit.

Other income is recognised on accrual basis except when realization of such income is uncertain.

**viii) Investments**

Long term investments viz. Mutual funds, Securities/Shares if any are stated at amortised cost.

**ix) Foreign Currency Transactions**

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the spot exchange rates. At the end of each reporting period, monetary items denominated in foreign currencies are translated using exchange rate prevailing on the last day of the reporting period.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

**x) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As a lessee**

The Company assesses whether a contract, is, or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases and corresponding Right-of-use Asset. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Right-of-use Assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability.

Right-of-use Assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if it is not readily determinable, using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

**xi) Employees Benefits****Post Employment Benefit****(i) Defined Contribution Plan**

The company's contribution to defined contribution plan paid/payable for the year is charged to the Statement of Profit and loss.

**(ii) Defined Benefit Plan**

The liabilities towards defined benefit schemes are determined using the Projected Unit Credit method. Actuarial valuation under the Projected Unit Credit method are carried out at the balance sheet date. Remeasurement gains/losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income (OCI). These gains/losses which are recognised in OCI are reflected in retained earnings and are not reclassified to Profit or Loss. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by plan assets.

**(iii) Short Term Employee Benefits**

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include salaries, wages, bonus, performance incentives, etc.

**(iv) Other Long Term Employee Benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date, using Projected Unit Credit method.

**xii) Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

**xiii) Income Taxes**

Income tax expense represents the sum of the current tax and deferred tax.

**(i) Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

**(ii) Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**(iii) Current and Deferred Tax Expense for the Year**

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.



**xiv) Financial Instruments**

Financial assets and Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition:**

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

**Amortised Cost:**

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through OCI:**

A financial asset shall be classified and measured at FVTOCI, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

The Company recognises loss allowance using expected credit loss model for financial assets which are measured at amortised cost. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest. The company follows 'simplified approach' for recognition of impairment loss allowance on the group of financial assets.

For Trade Receivables, the Company measures loss allowance at an amount equal to expected credit losses. The Company computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

**Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual right to receive the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**Classification and Subsequent Measurement: Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortised cost

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition at FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Financial Liabilities at amortised cost:**

Other financial liabilities (including borrowings and trade and other payables) are measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

**Financial liabilities and equity instruments:**

## ● Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## ● Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by a Company are recognised at the proceeds received.

**Derecognition of financial liabilities:**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

**Offsetting:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**xv) Derivative Financial Instruments**

The Company holds derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign currency exchange rate risks.

**xvi) Segment Reporting**

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems.

**xvii) Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax with the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, with the aggregate of weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**xviii) Dividend**

Provision is made in the accounts for the amount of any final dividend declared on the date of its approval by the shareholders. Interim dividends, if any, are recorded as a liability on the date of its declaration by the company's board of directors.

**xix) Provisions, Contingent Liabilities and Contingent Assets****Provisions**

Provisions are recognised when, based on Company's present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

**Contingent Liabilities and Assets**

Show-cause notices issued by various Government Authorities are generally not considered as obligations. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

The treatment in respect of disputed obligations are as under:

- a) a provision is recognized in respect of present obligations where the outflow of resources is probable;
- b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts and reviewed at each balance sheet date to reflect the current management estimate.

Estimated amount of contracts remaining to be executed on capital account are considered for disclosure.

A contingent asset is disclosed where an inflow of economic benefits is probable.

**3. Critical Accounting Judgments, Estimates, Assumptions and Key Sources of Estimation Uncertainty**

The preparation of the Company's financial statements requires 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 at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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.

**Key estimates, assumptions and judgements**

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.



**(i) Income taxes**

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits.

**(ii) Useful lives of Property, Plant and Equipment/Intangible Assets**

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

**(iii) Contingent Liabilities**

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

**(iv) Actuarial Valuation:**

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the income statement and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

**(v) Allowance for impairment of trade receivables**

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis assessed for impairment or collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not collectible on the assessment of the underlying facts and circumstances.

**(vi) Provisions**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**DAIKAFFIL**

Notes to the financial statements for the year ended March 31, 2023.

**3 PROPERTY, PLANT AND EQUIPMENT**

Particulars/Asset	Tangible Assets										Right-of-use Assets			Amount in Lakh
	Factory Building	Other Building	Plant and Machinery	Furniture, Fixtures and Electrical Installation	Laboratory Equipment	Office Equipment	Computers	Vehicles	Total	Land	Building	Total		
	<b>GROSS BLOCK</b>													
As at 1st April, 2021	615.01	21.06	1,070.61	79.65	21.67	19.27	15.78	48.13	1,891.16	780.00	83.64	863.64		
Additions	-	-	8.90	-	-	0.09	-	-	9.00	-	-	-		
Revaluation Adjustments #	7.85	-	101.60	-	-	-	-	-	109.45	88.69	-	88.69		
Deduction/Adjustments														
As at 31st March, 2022	622.85	21.06	1,181.12	79.65	21.67	19.36	15.78	48.13	2,009.61	868.69	83.64	952.33		
Additions	-	-	1.25	-	-	-	-	-	1.25	-	-	-		
Revaluation Adjustments #	-	-	-	-	-	-	-	-	-	-	-	-		
Deletion/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-		
As at 31st March, 2023	622.85	21.06	1,182.37	79.65	21.67	19.36	15.78	48.13	2,010.86	868.69	83.64	868.69		
<b>ACCUMULATED DEPRECIATION</b>														
As at 1st April, 2021	269.36	3.02	923.92	76.78	18.87	17.93	14.56	29.06	1,353.50	67.24	36.17	103.41		
Charge for the year	19.50	0.33	51.19	1.79	2.06	0.17	0.29	5.72	81.04	13.45	18.08	31.53		
Deduction/Adjustments														
As at 31st March, 2022	288.85	3.35	975.12	78.56	20.93	18.09	14.86	34.78	1,434.54	80.69	54.25	134.94		
Charge for the year	19.74	0.33	51.31	-	-	-	-	5.72	77.10	14.98	29.39	44.36		
Deduction/Adjustments														
As at 31st March , 2023	308.60	3.68	1,026.42	78.56	20.93	18.09	14.86	40.50	1,511.64	95.67	83.64	83.64		
<b>Net Block</b>														
As at 31st March, 2022	334.00	17.71	206.00	1.09	0.74	1.27	0.92	13.34	575.07	788.00	29.39	817.39		
As at 31st March , 2023	314.26	17.37	155.94	1.09	0.74	1.27	0.92	7.63	499.22	773.02	-	773.02		

Note:

The aggregate depreciation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.# The adjustments are on account of revaluation of assets carried out by an independent valuer as at March 31, 2022

**3.1 CAPITAL WORK IN PROGRESS****Current Year FY(2022-23)**

Particulars	Construction Work in Progress-Tangible Assets	Capital Stores	(₹ in Lakhs)
Balance as at beginning of the year	4.05	0.56	4.61
Additions during the year	-	-	-
Transfer to Property, Plant and Equipment	-	-	-
<b>Closing Balance</b>	<b>4.05</b>	<b>0.56</b>	<b>4.61</b>

**Previous Year FY(2021-22)**

Particulars	Construction Work in Progress-Tangible Assets	Capital Stores	(₹ in Lakhs)
Balance as at beginning of the year	1.24	1.64	2.88
Additions during the year	10.63	-	10.63
Transfer to Property, Plant and Equipment	7.82	1.09	8.90
<b>Closing Balance</b>	<b>4.05</b>	<b>0.56</b>	<b>4.61</b>

**Ageing of Capital Work in Progress**

Particulars	Amount of CWIP for a period of			(₹ in Lakhs)
	Less than 1 year	1-2 years	2-3 years	
<b>Current Year FY(2022-23)</b>				
Capital Work in Progress	-	4.05	0.56	4.61
	-	4.05	0.56	4.61
<b>Previous Year FY(2021-22)</b>				
Capital Work in Progress	4.05	0.11	0.45	4.61
<b>Total</b>	<b>4.05</b>	<b>0.11</b>	<b>0.45</b>	<b>4.61</b>

Notes to the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

Note 4 : Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in Equity Instruments - Unquoted (At Amotised Cost) 13,193 (P.Y.13,193) shares of face value Rs.100/- each of Tarapur Environment Protection Society.	18.72	18.72
	18.72	18.72

Note 5 : Loans

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good unless otherwise stated Loans to Employees (at amortised cost )	0.41	1.77
<b>Total</b>	<b>0.41</b>	<b>1.77</b>

Note 6 : Others

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good unless otherwise stated Security Deposits *	18.69	14.98
<b>Total</b>	<b>18.69</b>	<b>14.98</b>

\* Includes Rs. 8,30,000/-(PY.Rs. 8,30,000/-) paid as deposit for Environment Relief Fund towards order passed by Hon'ble National Green Tribunal and deposit against Company's share of contribution against 30% paid as per Hon'ble Supreme Court Order.

Note 7 : Non Current Tax Assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax (Net of provisions)	10.01	10.81
<b>Total</b>	<b>10.01</b>	<b>10.81</b>

Note 8 : Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials	93.29	139.04
Work-in- Progress	49.60	49.60
Finished Goods	4.48	4.48
Stock-in-Trade	0.34	0.34
Stores and Spares.	4.96	4.96
Packing Materials	0.44	0.44
Less: Provision for non moving inventories	(36.42)	(36.42)
<b>Total</b>	<b>116.69</b>	<b>162.44</b>

8.1 The amount of written -down of inventories to net realisable value recognised as an expense was ₹ 36.42 Lakhs (₹ Nil)

Note 9 : Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
From Others		
Unsecured, Considered good	-	14.22
Unsecured, Considered Doubtful	3.21	3.21
	3.21	17.43
<b>Less: Impairment for doubtful receivables</b>	<b>(3.21)</b>	<b>(3.21)</b>
<b>Total</b>	<b>-</b>	<b>14.22</b>

9.1 The company assesses impairment loss on dues from its customers based on facts and circumstances relevant to each transaction. Usually, company collects all its receivables from its customers within due date .

Ageing of Trade Receivables

Particulars	Unbilled	Not Due	Outstanding for following periods from due the date of payment					Total
			Less than 6 months	Less than 1 year	Less than 1-2 years	2-3 years	More than 3 years	
<b>Current Year</b>								
i) Undisputed Trade receivable - Considered good	-	-	-	-	-	-	-	-
ii) Undisputed Trade receivable - Credit Impaired	-	-	-	-	-	-	3.21	3.21
<b>TOTAL</b>	-	-	-	-	-	-	<b>3.21</b>	<b>3.21</b>
<b>Previous Year</b>								
i) Undisputed Trade receivable - Considered good	-	14.22	-	-	-	-	-	14.22
ii) Undisputed Trade receivable - Credit Impaired	-	-	-	-	-	-	3.21	3.21
<b>TOTAL</b>	-	<b>14.22</b>	-	-	-	-	<b>3.21</b>	<b>17.43</b>

**Note 10 : Cash and Cash Equivalents**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.37	0.37
Balances with Banks in current accounts	99.80	856.17
<b>Total</b>	<b>100.17</b>	<b>856.54</b>

**Note 11 : Others bank balances**

Particulars	As at March 31, 2023	As at March 31, 2022
Other Bank Deposits for original maturity more than 3 months upto 12 months (refer note 11.1)	23.74	21.55
Earmarked bank deposits (refer note 11.2)	22.54	40.85
Unclaimed Dividend (refer note 11.3)	8.10	9.73
<b>Total</b>	<b>54.38</b>	<b>72.13</b>

11.1: The deposits maintained by the Company with banks comprise time deposit, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

11.2: The Company has pledged above deposits with bank as Bank Guarantee and margin money.

11.3: These balances represents unclaimed dividend account which is earmarked for payment of dividend and cannot be used for any other purpose.

**Note 12 : Loans**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, Considered Good unless otherwise stated</b>		
Loans to Employees (at amortised cost)	1.68	1.68
Capital Advances	-	-
<b>Total</b>	<b>1.68</b>	<b>1.68</b>

**Note 13: Others**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured and Considered Good</b>		
Other Bank Deposits for original maturity more than 12 months	720.00	-
Interest Accrued on Bank Deposits	1.33	1.71
Others Receivables	-	0.09
<b>Total</b>	<b>721.33</b>	<b>1.80</b>

**Note 14 : Other Current Assets**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured and Considered Good</b>		
Prepaid Expenses	1.80	4.27
Balances with Government Authorities	18.58	76.40
<b>Total</b>	<b>20.38</b>	<b>80.67</b>

**Note 15: Share Capital**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised</b>		
65,00,000 (P.Y. 65,00,000) Equity Shares of Rs.10/- Each.	650.00	650.00
<b>Total</b>	<b>650.00</b>	<b>650.00</b>
<b>Issued, subscribed and Paid up :</b>		
60,00,000 (P.Y. 60,00,000) Equity Shares of Rs.10/- Each.	600.00	600.00
<b>Total</b>	<b>600.00</b>	<b>600.00</b>

**15.1 Reconciliation of number of equity shares outstanding at the beginning and at the end of reporting period is as under:**

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the current reporting period : - As at April 1, 2021	60,00,000	60,00,000
Additions/(Reduction)	-	-
As at March 31,2022	60,00,000	60,00,000
<b>Balance at the beginning of the current reporting period : - As at April 1,2022</b>	<b>60,00,000</b>	<b>60,00,000</b>
Additions/(Reduction)	-	-
<b>As at March 31,2023</b>	<b>60,00,000</b>	<b>60,00,000</b>

**15.2 Details of Shares held by Shareholders holding more than 5% of the Aggregate Shares in the Company** (₹ in Lakhs)

Name of the shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Shares as % of Total No. of Shares	No. of Shares	Shares as % of Total No. of Shares
Amit Patel	10,72,965	17.88%	10,72,965	17.88%
Caffil Private Ltd.,	5,03,300	8.39%	5,03,300	8.39%
C.C.M (Luxembourg) S.A Liquidator of H.G.E Chemical Company S.A	7,49,700	12.50%	7,49,700	12.50%

**15.3 Rights, preferences and restrictions attached to Shares :**

The Company has only one class of equity shares having par value of Rs.10 each and the holder of the equity share is entitled to one vote per share.

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company, the holders of the 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.

**15.4 Details regarding shareholding of Promoters as at March 31, 2023**

Shares held by promoters	At the beginning of the year		At the end of the year		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Amit Jayant Patel	10,72,965	17.88%	10,72,965	17.88%	-
Caffil Private Ltd.,	5,03,300	8.39%	5,03,300	8.39%	-
Aditya Amit Patel	1,04,499	1.74%	1,04,499	1.74%	-
Nitin Prabhudas Bhagat	50,000	0.83%	50,000	0.83%	-
Aruna Vinodchandra Merchant	47,000	0.78%	46,645	0.78%	-0.76%
Amit jayant Patel (HUF)	45,310	0.76%	45,310	0.76%	-
Mita Bhagat	25,000	0.42%	25,000	0.42%	-
Dhwani Aditya Patel	15,800	0.26%	15,800	0.26%	-
Aditya Amit Patel (HUF)	7,500	0.13%	7,500	0.13%	-
Surbhi Kishore Tanna	250	0.00%	250	0.00%	-

**Note 16 : Other Equity**

Particulars	As at March 31, 2023	As at March 31, 2022
Share Premium	34.49	34.49
General Reserve	202.00	202.00
Retained Earnings (Including Other Comprehensive Income)	382.67	623.41
Revaluation Reserve (Ind-AS)	992.34	992.34
<b>Total</b>	<b>1,611.50</b>	<b>1,852.24</b>

**16.1 Particulars relating to Other Equity**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Securities Premium (Refer Note No.16.2)</b>		
Balance at the beginning of the year	34.49	34.49
Addition/(Deduction) during the year	-	-
<b>Balance at the end of the year</b>	<b>34.49</b>	<b>34.49</b>
<b>General Reserve (Refer Note No.16.3)</b>		
Balance at the beginning of the year	202.00	202.00
Addition/(Deduction) during the year	-	-
<b>Balance at the end of the year</b>	<b>202.00</b>	<b>202.00</b>
<b>Retained Earnings (Including Other Comprehensive Income) (Refer Note No. 16.4)</b>		
Balance at the beginning of the year	623.41	879.48
Add : Profit after tax for the year	(240.74)	(250.34)
Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax	-	(7.92)
Add : Transfer to Retained Earning on Account of Depreciation Effect & for Revaluation of PPE	-	-
Add : Deferred Tax (Other Comprehensive Income)	-	2.20
<b>Balance at the end of the year</b>	<b>382.67</b>	<b>623.41</b>
<b>Revaluation Reserve (Refer Note No.16.5)</b>		
Balance at the beginning of the year	992.34	842.39
Addition/(Deduction) during the year	-	149.95
<b>Balance at the end of the year</b>	<b>992.34</b>	<b>992.34</b>



- 16.2 Securities Premium is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.
- 16.3 The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of Profit and Loss.
- 16.4 The retained earnings comprises of surplus which is used from time to time to transfer profits by appropriations. Retained earnings is free reserve of the Company and is used for the purposes like issuing bonus shares, buy back of shares and other purposes (like declaring Dividend etc.) as per the approval of Board of Directors. It includes the re-measurement of defined benefit plan as per actuarial valuations which will not be re-classified to statement of profit and loss in subsequent periods.
- 16.5 The Revaluation Reserve represents cumulative increase or decrease in the carrying value of a company's property plant and equipments to account for any major changes in their fair market value.

**Note 17 : Non Current Provisions**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Employees benefits :-		
-Gratuity Funded	-	6.46
-Compensated Absences		0.44
Total	-	6.90

**Note 18 : Deferred Tax Liabilities (Net)**

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities (Refer Note 32)	84.25	114.58
Deferred Tax Assets (Refer Note 32)	12.98	17.18
Net Deferred tax liability /(assets)	71.27	97.40

**Note 19 : Trade payables**

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Due to micro enterprises and small enterprises*	-	-
(B) Due to other than micro enterprises and small enterprises	3.14	12.04
<b>Total</b>	<b>3.14</b>	<b>12.04</b>

\* Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") are given below :

**Ageing of Trade Payables**

Particulars	Outstanding for following periods from due the date of payment						Total
	Unbilled	Not due	Less than 1 year	Less than 1-2 years	2-3 years	More than 3 years	
<b>Current Year</b>							
i) MSME *	-	-	-	-	-	-	-
ii) others	-	2.79	0.35	-	-	-	3.14
	-	2.79	0.35	-	-	-	3.14
<b>Previous Year</b>							
i) MSME *	-	-	-	-	-	-	-
ii) others	-	11.88	0.16	-	-	-	12.04
	-	11.88	0.16	-	-	-	12.04

\* Micro and small enterprises in lines with Note 19 - Trade Payables

Trade payables -Total outstanding dues of Micro & Small enterprises	As at March 31, 2023	As at March 31, 2022
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
(f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	-	-
(g) Further interest remaining due and payable for earlier years	4.21	4.21

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Note 20 : Other Financial liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Creditors for Capital expenditure	-	-
Liability for Expenses	3.06	4.06
Liability Towards Employees	2.48	6.30
Unpaid Dividend #	8.10	9.73
<b>Total</b>	<b>13.64</b>	<b>20.09</b>

# As at the year end there is no amount due for payment to the Investor Education & Protection Fund under Section 124(5) of the Companies Act, 2013.

**Note 21 : Other Current liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Payments	1.10	1.83
<b>Total</b>	<b>1.10</b>	<b>1.83</b>

**Note 22 : Provisions**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Provision for Employee benefits (Refer Note 41)</b>		
Gratuity Provison	7.76	3.28
Provision for compensated absences	1.52	1.69
<b>Total</b>	<b>9.28</b>	<b>4.97</b>

Notes to the Financial Statements for the year ended March 31, 2023

Note 23: Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Sale of Products :-		
- Manufactured Goods		563.10
- Trading Goods	63.71	243.09
b) Other Operating Revenue		
- Export Incentive	-	9.43
<b>Total</b>	<b>63.71</b>	<b>815.62</b>

Note 24 : Other Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest :		
- On Bank Deposits	38.91	30.66
- Others	1.69	0.20
Exchange Gain ( Net)	0.11	5.79
Miscellaneous Income	0.00	0.01
Sundry Balances Written back	0.28	0.04
Reversal of impairment of receivables	-	0.23
Rent Concession	6.33	9.71
<b>Total</b>	<b>47.32</b>	<b>46.64</b>

Note 25 : Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials Consumed :		
Opening stock	139.04	206.59
Add : Purchase	4.63	328.05
	143.67	534.64
Less : cost of Traded Goods	4.63	34.67
	139.04	499.97
Less : Closing Stock -including stock in transit	93.29	139.04
<b>Total</b>	<b>45.75</b>	<b>360.93</b>

Note 26 : Purchase of Stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of Stock-in-trade	4.63	149.72
Cost of Traded Goods	-	34.67
<b>Total</b>	<b>4.63</b>	<b>184.39</b>

Note 27 : Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Finished Goods</b>		
Opening Stock	4.48	4.39
Less : Closing Stock	4.48	4.48
	-	-0.09
<b>Work- in- Progress</b>		
Opening Stock	49.60	89.58
Less : Closing Stock	49.60	49.60
	-	39.98
<b>Stock-in-Trade</b>		
Opening Stock	0.34	0.34
Less : Closing Stock	0.34	0.34
	-	-
<b>Total</b>	<b>-</b>	<b>39.90</b>

Note 28 : Employee Benefit expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages and Bonus	102.27	223.42
Contribution to Provident, Gratuity and other Funds	16.78	20.40
Staff Welfare Expenses	1.58	3.20
<b>Total</b>	<b>120.63</b>	<b>247.02</b>

**Note 29 : Finance Cost**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Unwinding of lease obligation	0.61	3.28
Bank Charges & Commission	0.05	0.11
<b>Total</b>	<b>0.66</b>	<b>3.39</b>

**Note 30 : Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on PPE	77.10	81.04
Depreciation on Right-of-use Assets	44.36	31.53
<b>Total</b>	<b>121.46</b>	<b>112.57</b>

**Note 32 : Other Expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Manufacturing Expenses</b>		
Consumption of stores and spare parts	-	0.83
Provision for non moving inventories (Refer Note No. 8.1)	-	36.42
Power and fuel	16.53	54.05
Water consumption	1.20	3.27
Water treatment	1.03	4.04
Repairs and maintenance - Buildings	-	0.85
Repairs and maintenance - Machinery	0.41	5.41
Electrical Maintenance.	0.07	0.32
Laboratory Expenses	-	1.27
<b>Total</b>	<b>19.24</b>	<b>106.46</b>
<b>Selling, Distribution and Administration expenses</b>		
Consumption of packing materials	-	7.18
Repairs and maintenance - Others	0.45	0.57
Insurance	2.78	5.44
Rates and taxes	2.96	2.49
Office Rent	6.75	-
Communication	2.12	2.98
Travelling and conveyance	1.06	2.32
Printing and stationery	0.48	0.73
Freight and forwarding	0.09	8.64
Commission	-	-
Business promotion	-	0.97
Professional / Sales and Marketing expenses	20.88	19.45
Payments to auditors	-	-
- Audit Fees/Limited Review Fees	2.70	2.85
- Reimbursement of expenses	-	0.02
Vehicle Expenses	1.39	1.26
Membership & Filing Fees	4.28	4.50
Export Freight and forward	0.07	13.35
Director Sitting fees	3.35	4.68
Security Charges	9.17	5.77
Sundry Balances Written back	-	-
Miscellaneous expense	7.01	5.15
<b>TOTAL (B)</b>	<b>65.55</b>	<b>88.35</b>
<b>TOTAL (A + B)</b>	<b>84.79</b>	<b>194.81</b>

Notes to the Financial Statements for the year ended March 31, 2023.

32. Disclosure pursuant to Ind AS 12 on "Income Taxes"

A. Tax Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current Tax in relation to :</b>		
Current Year	-	-
Earlier Year	-	(1.63)
<b>Deferred Tax :</b>		
In respect of current year	(26.15)	-0.00
<b>Total Income Tax Expense recognized in the current year</b>	<b>(26.15)</b>	<b>(1.63)</b>

(i) The Income tax expense for the year can be reconciled to the accounting profit as follows :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before Tax	-266.89	-272.83
Corporate Tax rate as per Income Tax Act, 1961	27.82%	27.82%
Tax on Accounting Profit	-74.25	-75.90
<b>Tax effect of amounts which are not deductible/(taxable) in calculating taxable income :</b>		
Difference due to other than temporary differences	-	-
Others adjustment	-	55.05
Tax Adjustment of earlier year	-	-1.63
<b>Total Income Tax Expense recognized in statement of Profit and loss</b>	<b>-74.25</b>	<b>-22.48</b>

Deferred Tax

2022-23

Components and Reconciliation of Deferred Tax (Assets)/Liabilities

Name of the Shareholders	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
<b>Deferred Tax liability on account of :</b>				
Depreciation on Property, Plant and Equipment	96.85	-12.59	-	84.26
Leasehold land	17.74	-17.75	-	-0.01
<b>Deferred Tax asset on account of :</b>				
Provision for Employee benefit	-3.94	1.09	-	-2.85
Provision for non moving inventories	-10.13	-	-	-10.13
Others	-3.11	3.11	-	0.00
<b>Total</b>	<b>97.42</b>	<b>-26.15</b>	<b>-</b>	<b>71.27</b>

2021-22

Components and Reconciliation of Deferred Tax (Assets)/Liabilities

Name of the Shareholders	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
<b>Deferred Tax liability on account of :</b>				
Depreciation on Property, Plant and Equipment	78.65	-12.25	30.45	96.85
Leasehold land	-	-	17.74	17.74
<b>Deferred Tax asset on account of :</b>				
Provision for Employee benefit	-3.11	1.37	-2.20	(3.94)
Provision for non moving inventories	-	-10.13	-	-10.13
Others	-3.26	0.15	-	-3.11
<b>Total</b>	<b>72.28</b>	<b>-20.86</b>	<b>45.99</b>	<b>97.41</b>

**Notes to the Financial Statements for the year ended March 31, 2023.**

**Note 33 : Leases**

The company has lease contracts for rented premises used in its operations. The company's obligations under its lease are secured by the lessor's title to the leased asset.

(₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	<b>Right-of-use Asset</b>		
	Cost	868.69	952.33
	Accumulated Depreciation	95.67	134.94
	Net Carrying Value	773.02	817.39
(ii)	Lease obligation (Building)		
	Beginning of the year	37.34	55.77
	Unwinding of lease obligation	0.61	3.28
	Actual Rent paid	12.00	12.00
	Rent Concession	(6.33)	(9.71)
	End of lease obligation	19.63	0.00
	Closing of the year	-	37.34
	<b>Current</b>	-	15.99
	<b>Non-Current</b>	-	21.35

**(b) Amounts recognised in the Statement of Profit And Loss**

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	<b>Finance Cost</b>		
	Unwinding of finance lease obligation	0.61	3.28
(ii)	<b>Depreciation</b>		
	Depreciation on right-of-use asset	95.67	134.94
(ii)	<b>Rent concession</b>		
	changes in lease payments that arise from rent concessions	(6.33)	(9.71)

**(c) Amounts recognised in Cash Flow Statement**

	Particulars	As at March 31, 2023	As at March 31, 2022
	Total cash outflow for leases	12.00	12.00

**Note 34 : In accordance with Ind AS - 33, "Earnings Per Share", the Basic and Diluted EPS have been calculated as under:**

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Profit attributable to Equity Shareholders (₹ in lakhs)	(240.74)	(250.32)
(B) Weighted Average Number of Equity Shares	6000000	6000000
(C) Face Value of each Equity Share (₹)	10.00	10.00
(D) Basic & Diluted earning per Share (₹)	(4.01)	(4.17)

**Note 35 : Segment Reporting as per Ind AS 108**

The Company's operations falls under single segment namely "Manufacturing of organic chemicals and intermediaries", taking into account the risks and returns, the organization structure and the internal reporting systems. Segment revenue from "Manufacturing of organic chemicals and intermediaries" represents revenue generated from external customers which is attributable to the Company's country of domicile i.e. India and external customers outside India as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from:</b>		
Outside India	-	630.83
In India	63.71	175.36

**Note 36 : Related Party Disclosures**

**36.1 Disclosure with respect to Indian Accounting Standard (Ind AS 24) on Related Parties:**

Name of Related Parties	Nature of Relationship
M/s Amichem	Enterprise over which KMP is having Significant Influence
Mr. Amit Patel	Director
Mr. Aditya Patel	Director
Mr. Sudhir Patel	Independent Director
Mrs. Maithili Sisawala	Independent Director
Mr. Sunil Merchant	Independent Director
Mr. Sunil Shedge	Chief Financial Officer
Smt. Seemba Ansari	Company Secretary



36.2 The following transactions were carried out with the related parties in ordinary course of business during the year: (₹ in Lakhs)

Nature of Transaction	Key Management Personnel (KMP)	Enterprise over which KMP is having Significant Influence	Total
Service charges for use of premises	-	9.00	9.00
	-	(12.00)	(12.00)
M/s Amichem	-	9.00	9.00
	-	(12.00)	(12.00)
<b>Remuneration Paid #</b>	<b>11.10</b>	-	<b>11.10</b>
	(11.10)	-	(11.10)
Mr. Aditya Patel	11.10		11.10
	(11.10)		(11.10)
<b>Sitting fees paid to directors</b>	<b>3.35</b>	-	<b>3.35</b>
	(4.68)	-	(4.68)
Mr. Amit Patel	0.60	-	0.60
	(0.75)	-	(0.75)
Mr. Sudhir Patel	1.10	-	1.10
	(1.40)	-	(1.40)
Mr. Sunil Merchant	1.10	-	1.10
	(1.40)	-	(1.40)
Mrs. Maithili Siswawala	0.55	-	0.55
	(1.13)	-	(1.13)

# Gratuity has not been disclosed separately as related information is not available on individual basis from Actuarial Valuation report  
Amounts in brackets indicate previous year figures.

**Note 37 : Contingent Liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>1 Outstanding Bank Guarantee</b>	<b>18.50</b>	18.50
<b>2 Disputed demand with MPCB/NGT case pending at Supreme Court</b>	<b>18.00</b>	18.00
<b>3 Disputed demand with MPCB/NGT case pending at Supreme Court</b>	<b>8.67</b>	8.67

\*(Deposit placed with Supreme Court against cases pending)

**Note 38 : Commitments**

Estimated amount of contract remaining to be executed on capital Account and not provided for Rs. NIL (P.Y. ₹ NIL)

**Notes to the Financial Statements for the year ended March 31, 2023.**

**39. Employee Benefits**

The Company has classified various employee benefits as under:

**A. Defined Contribution Plans**

The company makes Contribution to Provident fund and employees pension scheme to Defined Contribution plan for qualifying employees. Under the schemes the company is required to contribute a specified percentage of the payroll costs to fund the benefits

The Provident Fund is operated by the Regional Provident Fund Commissioner and the Superannuation Fund is administered by the LIC of India as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

The Company has recognised the following amounts in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to Provident Fund	4.76	11.75
<b>Total</b>	<b>4.76</b>	<b>11.75</b>

**B. Defined Benefit Plans**

a) The company offers the following employee benefit scheme to its employees

**i) Gratuity**

The Company operates a gratuity plan covering qualifying employees. Under the gratuity plan, the eligible employees are entitled to post retirement benefit at the rate of 15 days salary for each year of service until the retirement age, subject to a payment ceiling of Rs. 20 lakhs. The benefit vests upon completion of five years of continuous service as per "The Payment of Gratuity Act" and once vested it is payable to the employee on retirement or on termination of employment. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

**ii) Other Defined Benefit plans (Compensated Absences)**

The obligations under the compensated absences plan have been determined by Independent Actuary using Projected Unit Credit (PUC) method. Compensated absences is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The provision towards Compensated Absences is as under :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current liability	-	0.44
Current liability/(Asset)	1.52	1.69
<b>Total</b>	<b>1.52</b>	<b>2.13</b>

**Gratuity is defined benefit plan and Company is exposed to following Risks:**

**Interest Risk :**

A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk :**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Mortality Risk :**

Since the benefits under the plan is not payable for the life time and payable till retirement age only, plan does not have any longevity risk.

**C. The Company offers the following employee benefits scheme to its employees**

a. Gratuity (Funded through annual payment to Life insurance corporation of India)

b. Compensated absences encashment (Funded through annual payment to Life insurance corporation of India)

**a. Gratuity**

Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date (previous year), based on the following assumptions:

**During the current year the company has made adequate provision towards full liability of gratuity based on actuals. Hence no actuarial valuation has been obtained to provide liability.**

	Particulars	Valuation as at	
		March 31, 2023	March 31, 2022
i.	Discount Rate (per annum)	NA	6.70%
ii.	Expected Rate of Return on Assets	NA	6.70%
iii.	Attrition Rate	NA	4%
iv.	Mortality rate during the employment	NA	Indian Assured Lives Mortality (2012-14) Table
v.	Actuarial Valuation Method	NA	Projected Unit Credit Method
vi.	Retirement Age (years)	NA	60.00

- vii. The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.
- viii. The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.
- ix. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The provision towards the Gratuity is as under:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current liability	-	6.46
Current liability	7.76	3.28
<b>Total</b>	<b>7.76</b>	<b>9.74</b>

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Gratuity Funded	Gratuity Funded
i. Change in the Present Value of Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the Period	-	88.81
Interest Cost	-	5.28
Current Service Cost	-	4.06
(Benefit Paid From the Fund)	-	(48.65)
Actuarial (Gains)/ Losses on Obligations - Due to Change in Financial Assumptions	-	(0.49)
Actuarial (Gains)/ Losses on Obligations - Due to Experience	-	7.29
Present Value of Benefit Obligation at the End of the Period	-	56.31
ii. Changes in the Fair value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Period	-	87.87
Interest Income	-	5.38
Contributions by the Employer	-	3.07
(Benefit Paid From the Fund)	-	(48.65)
Return on Plan Assets, Excluding Interest Income	-	(1.12)
Fair Value of Plan Assets at the End of the Period	-	46.56
iii. Net (Liability)/Asset Recognised in the Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period )	-	(56.31)
Fair Value of Plan Assets at the end of the Period	-	46.56
Net (Liability)/Asset Recognised in the Balance Sheet	-	(9.74)
iv. Expenses Recognised in the Statement of Profit or Loss for the Current Period		
Current Service Cost	-	4.06
Net Interest Cost	-	(0.10)
Expenses Recognised	-	3.96
v. Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period		
Due to experience adjustments	-	7.29
Due to Change in financial assumptions	-	(0.49)
Return on Plan Assets, Excluding Interest Income	-	1.12
Net (Income)/Expenses For the Period Recognised in OCI	-	7.92
vi. Maturity Analysis of the Benefit Payments : From the Fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	-	14.66
2nd Following Year	-	2.40
3rd Following Year	-	3.83
4th Following Year	-	5.13
5th Following Year	-	7.81
Sum of Years 6 to 10	-	21.68
Sum of Years 11 to above	<b>Not Available</b>	Not Available
vii. Sensitivity Analysis		
"Projected Benefit Obligation on Current Assumptions"	-	56.31
Delta Effect of +0.5 % Change in Rate of Discounting	-	54.74
Delta Effect of -0.5 % Change in Rate of Discounting	-	57.97
Delta Effect of +0.5 % Change in Rate of Salary Increase	-	57.95
Delta Effect of -0.5 % Change in Rate of Salary Increase	-	54.74
Delta Effect of +1.0 % Change in Withdrawal rate	-	56.54
Delta Effect of -1.0 % Change in Withdrawal rate	-	56.06

**Notes on Sensitivity Analysis**

- i. Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.
- ii. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.
- iii. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

**Notes to the Financial Statements for the year ended March 31, 2023.**

**40. Disclosures on financial instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

**(a) Financial assets and liabilities:**

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2023 and March 31, 2022.

**I. Financial assets :**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
Cash and cash equivalents	100.17	856.54
Bank balance other than cash and cash equivalent	54.38	72.13
Investments	18.72	18.72
Trade receivables	-	14.22
Loans	2.09	3.45
Other financial assets	740.02	16.78
<b>Total</b>	<b>915.39</b>	<b>981.84</b>

**II. Financial liabilities:**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
Trade payables	3.14	12.04
Lease Obligation	-	37.36
Other financial liabilities	13.64	20.09
<b>Total</b>	<b>16.78</b>	<b>69.49</b>

The carrying value of Financial Assets and Financial Liabilities measured at amortised cost approximates to their fair values.

**(b) Capital Management**

For the purpose of the Company's Capital Management, Capital includes issued Equity Capital , share premium and all Other Reserves attributable to the Equity shareholders of the Company. The Primary objective of the Company's Capital Management is to maximise the shareholders' value. The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholder's value. The capital structure of the Company as at 31st March, 2022 consists of no debt , equity comprising issues capital and reserves.

**(c) Financial risk management:**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The risk management policy is approved by the Company's Board. The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations in selective instances. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations . The company is exposed to market risk, credit risk, liquidity risk etc. The objectives of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital.

**(a) Market risk :**

Market risk is the risk that changes in market prices- such as foreign exchange rates, interest rates and equity prices- will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

**(I) Foreign Currency Risk :**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amount of company's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follows:

Particulars	Foreign Currency	As at March 31, 2023		As at March 31, 2022	
		Amount in Foreign currency	Amount in Rs.	Amount in Foreign currency	Amount in Rs.
Financial Assets	EURO	-	-	-	-
	USD	-	-	0.16	11.91
Financial Liabilities	EURO	-	-	-	-
	USD	-	-	-	-

**Foreign Currency Sensitivity:**

The Company is principally exposed to foreign currency risk against Foreign Currency (USD and Euro). Sensitivity of profit or loss arises mainly from Foreign Currency (USD and Euro) denominated receivables and payables.

As per management’s assessment of reasonable possible changes in the exchange rate of +/- 5% between Foreign Currency (USD and Euro) -INR currency pair, sensitivity of (profit) or loss only on outstanding foreign currency denominated monetary items at the year end is presented below:

(₹ in Lakhs)

Foreign Currency sensitivity at year end	For the year ended 31 March, 2023	For the year ended 31 March, 2022
<b>Assets:</b>		
Weakening of INR by 5%	-	0.60
Strengthening of INR by 5%	0.00	(0.60)
<b>Liabilities:</b>		
Weakening of INR by 5%	-	-
Strengthening of INR by 5%	-	0.00

**Forward foreign exchange contracts**

It is the policy of the Company to enter into forward foreign exchange contracts to cover foreign currency payments in USD and Euro . The Company enters in to contracts with terms up to 90 days.

Forward cover is obtained from bank for each of the aggregated exposures and the Trade deal is booked. The forward cover deals are all backed by actual trade underlines and settlement of these contracts on maturity are by actual delivery of the hedged currency for settling the underline hedged trade transaction.

**(II) Interest rate risk:**

Interest rate risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of change in market interest rate . The company does not have significant floating interest rate borrowings during the year ended March 31,2023 and March 31,2022. Hence the Company is not exposed to significant interest rate risk as at the resepective floating dates.

**(b) Credit risk:**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in equity instruments and trade receivables.

None of the financial instruments of the Company result in material concentrations of credit risks, which may result into financial loss for the company.

**(c) Liquidity risk:**

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company may be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in Lakhs)

Particulars	Less than 1 year	1 Years to 3 Years	3 Years to 5 Years	5 Years and above
<b>As at March 31, 2023</b>				
Trade and other payables	3.14	-	-	-
Lease Obligation	-	-	-	-
Other Financial Liabilities	13.64	-	-	-
<b>Total</b>	<b>16.78</b>	-	-	-
<b>As at March 31, 2022</b>				
Trade and other payables	12.04	-	-	-
Lease Obligation	15.99	21.37	-	-
Other Financial Liabilities	20.09	-	-	-
<b>Total</b>	<b>48.12</b>	<b>21.37</b>	-	-

Notes to the Financial Statements for the year ended March 31, 2023.

Note - 41: ADDITIONAL REGULATORY INFORMATION AS PER SCHEDULE III OF COMPANIES ACT 2013

1. Ratios

	Numerator	Denominator	2022-2023	2021-2022	% Variance	Reason for Variance
<b>Current Ratio (Times)</b>	Current Assets	Current Liabilities	<b>37.35</b>	21.66	72%	Current Ratio is improved is on account of utilisation of surplus funds for payment of trade payables and other financial liabilities.
<b>Debt Equity Ratio (Times)</b>	Total Debt (i.e. Non-Current Borrowings + Current Borrowings)	-	-	-	-	
<b>Debt Service Coverage Ratio (Times)</b>	Profit after Tax + Finance Cost in P&L + Depreciation	Finance Cost (P&L + Capitalised) + Lease & Principal Repayments (Long-term)	<b>-9.37</b>	0.64	-1564%	Debt Service Coverage ratio is not relevant for the the Company. As there is no borrowings in current year and previous year. However the company has incurred operational losses due to reduction of business and accordingly the ratio is negative.
<b>Return on Equity (%)</b>	Profit after Tax	Average Total Equity	<b>-10.32%</b>	-4.20%	146%	Due to incurring of business losses during the year, the ratio is significantly changed.
<b>Inventory Turnover (Times)</b>	Sales (Net of Discounts)	Average Inventory	<b>0.46</b>	3.27	-86%	
<b>Trade Receivables Turnover (Times)</b>	Sales (Net of Discounts)	Average Trade Receivables	<b>8.96</b>	7.73	16%	Trade Receivable ratio is improved due to collection of major debtors on cut off of balance sheet.
<b>Trade Payables Turnover (Times)</b>	Purchase of Raw Material + Purchase of Stock-in-Trade + Other Expenses	Average Trade Payables	<b>1.22</b>	4.54	-73%	Trade payable ratio is improved on account of payment of trade payables from the surplus funds available with the Company as on balance sheet date
<b>Net Capital Turnover (Times)</b>	Sales (Net of Discounts)	Average Working Capital (i.e. Current Assets - Current Liabilities)	<b>0.06</b>	0.66	-91%	Investment is as per stipulation and there is no income earning.
<b>Net Profit Ratio (%)</b>	Profit after Tax	Revenue from Operation	<b>-377.85%</b>	-13.01%	2804%	Decrease is on account of incurring of operational losses during the year.
<b>Return on Capital Employed (%)</b>	Profit before Tax + Finance Cost	Average of (Total Equity + Total Debt + Deferred Tax Liabilities)	<b>-11.71%</b>	-10.67%	10%	Decrease is on account of incurring of operational losses during the year.
<b>Return on Investment (%)</b>	Closing Value of Investment + Dividend during the year - (Opening Value of Investment + Additional Investment during the year)	Opening Value of Investment + (Additional Investment during the year - Dividend during the year)/2	<b>0.00%</b>	0.00%		Investment is as per stipulation and there is no income earning.

42. Due to manufacturing orders drying up and as a result, the costs becoming higher than the revenue, the company has incurred losses. To restrict any further erosion of capital due to the losses, the management has undertaken certain cost saving measures. The management decided to undertake a planned shutdown of the factory for some time so that the fixed cost of plant is saved. The manufacturing has been shut down from end of November, 2021 and certain workers/labourer were retrenched. The maintenance activities for the plant upkeep were continued so that as and when the plant restarts, the plant would be in desired condition for manufacturing. In the interim period, the trading activities are being prioritised and carried out so that the margins from trading can help in sustaining the other costs. The shutdown is a planned one and for a limited period of time only. The manufacturing operations will resume shortly and the capacity will be restored gradually once adequate sales orders are received. The company's liquidity position is very healthy and its liquid assets are far higher than its liabilities. In light of above and based on the detailed financial projections approved by the Board, the company does not envisage any threat to going concern status of the company and hence, the financial statements have been prepared on going concern basis.

43. The company has sought balance confirmations from trade receivables and trade payables, wherever such balance confirmations are received by the Company, the same are reconciled and appropriate adjustments if required, are made in the books of account.

44. Other Significant Notes

- (i) The Company does not have any such 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).
- (ii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (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.
- (iii) The Company does not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (iv) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- (v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) The Company has not advanced any fund to any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the person or entity shall :
  - (a) 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

(b) provide any guarantee, security or the like on behalf of the Company,

(vii) The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

**45. Post reporting date events**

No adjusting or significant non-adjusting events have occurred between 31 March 2023 and the date of authorisation of these Financial Statements.

46. The company has not carried out any transactions with Struck-off Companies.

47. Previous year's figures have been regrouped, wherever necessary, to confirm to current year's classification.

**48. Approval of Financials Statements**

The Financial Statements were approved for issue by the Board of Directors on May 22, 2023.

As per our report of even date attached.

**For NGST & ASSOCIATES**

**Chartered Accountants**

**Firm's Registration No:135159W**

**Bhupendra S. Gandhi**

**Partner**

**Membership No. 122296**

Sd/-  
**ADITYA A. PATEL**  
Managing Director  
(DIN : 00005276)

Sd/-  
**SUNIL SHEDGE**  
Chief Financial Officer  
(PAN NO. AEGPS7390B)

Sd/-  
**AMIT J. PATEL**  
Director  
(DIN : 00005232)

Sd/-  
**SEEMAB ANSARI**  
Company Secretary  
(Membership No. A33499)

Sd/-  
**SUNIL H. MERCHANT**  
Director  
(DIN : 01064306)

Place : Mumbai  
Date : May 22, 2023

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