DACL FINE CHEM LIMITED

FINANCIAL STATEMENTS

For the year ended 31st March 2023

AUDITORS

K C Mehta & Co LLP
Chartered Accountants

Meghdhanush,
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Vadodara - 390 007
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INDEPENDENT AUDITORS' REPORT

To the Members of
DACL FINE CHEM LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **DACL FINE CHEM 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 the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

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

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

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.

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

The Board of Directors 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:

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

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 Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the 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;

   c. the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

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d. in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;

e. on the basis of the written representations received from the directors as on March 31, 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;

f. 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";

g. 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:

   the Company has neither paid nor provided for, any remuneration to its directors during the year; and

h. the other matters to be included in the Auditors' Report in accordance with Rule 11 of with respect to 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 does not have any pending litigations which would impact its financial position;

   ii. the Company did not have any long-term contracts including derivative contracts as at March 31, 2023;

   iii. there were no amounts which were 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 it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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(b) the management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; 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. No dividend has been declared and paid during the year by the company.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company from Financial Year beginning April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year 2022-2023.

For K C Mehta & Co LLP
Chartered Accountants
Firm's Registration No. 106237W/W100829

Shripal Shah
Partner
Membership No. 114988
UDIN: 23114988BGWMYN5505
Place: New Delhi
Date: May 05, 2023

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ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to in our Independent Auditors' Report to the members of **DACL FINE CHEM 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 including 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 property plant and equipment and Right of use assets have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of records of the Company, lease deeds of all the 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 the financial statements are held in the name of the Company.

d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

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 Company does not have any inventory and therefore, reporting under clause (ii)(a) of the Order is not applicable to the Company.

b) The Company has not availed any working capital limits at any points of time during the year, from banks or financial institutions and therefor, 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, made any investments, or provided any guarantees or security to which provisions of section 185 and 186 of the Act apply and therefore, reporting under clause (iv) of the Order is not applicable to the Company.

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 Company has not started any commercial operations and there is no turnover and hence 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, the Company does not have any undisputed statutory dues. Further, there are no undisputed amounts in arrears, as at March 31, 2023, for a period of more than six months from the date they become 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. According to the information and explanations given to us and on the basis of examination of the records of the Company, there were no transactions relating to previously unrecorded income which requires to record in books of accounts as surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (43 of 1961).

ix.

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a) The loans amounting to Rs. 21.06 Lakhs from parent company are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the relevant financial year.

b) The Company has not been declared willful 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 the company has used funds raised on short-term basis aggregating to Rs.18.44Lakhs for long-term purposes.

e) The Company does not have any subsidiaries, associates or joint ventures 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made right issue of preference shares during the year under section 62(1)(a) and the provisions of said section have been duly complied with. However, it has not made any preferential allotment or private placement of shares and fully or partly convertible debentures during the year under audit under section 42 and section 62 of the Companies Act, 2013;

xi.

a) No fraud by the Company and or any fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed 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, the Company has not received any whistle-blower complaints 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.

xiv.

a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.

xv. 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.

xvi. In our opinion and according to the information and explanations given to us:

a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has incurred cash losses of ₹ 15.86 Lakhs during the financial year covered by our audit and ₹ 0.99 Lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. According to the information and explanations given to us, section 135 of the Act is not applicable to the Company and therefore, reporting under clause (xx) of the Order is not applicable.

xxi. 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 K C Mehta & Co LLP
Chartered Accountants
Firm's Registration No. 106237W/W100829

Shripal Shah
Partner
Membership No. 114988
UDIN: 23114988BGWMYN5505
Place: New Delhi
Date: May 05, 2023

K C MEHTA & CO LLP
Firm Regn. No. 106237W/W100829
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ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **DACL FINE CHEM LIMITED** on the financial statements of even date)

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

We have audited the internal financial controls with reference to financial statements of **DACL FINE CHEM 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 deemed to be prescribed under section 143(10) of the Companies Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K C Mehta & Co LLP
Chartered Accountants
Firm's Registration No. 106237W/W100829

Shripal Shah
Partner
Membership No. 114988
UDIN: 23114988BGWMYN5505
Place: New Delhi
Date: May 05, 2023

K C MEHTA & CO LLP
Firm Regn. No. 106237W/W100829
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DACL Fine Chem Limited
Balance Sheet as at March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	4	1,317.65	-
(b) Capital work-in-progress		-	-
(c) Intangible assets		-	-
(d) Financial Assets			
(i) Investments		-	-
(ii) Others	5	0.20	0.20
(e) Other non-current assets	6	9.72	-
Total Non-Current Assets		1,327.57	0.20
(2) Current Assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Trade receivables		-	-
(ii) Cash and cash equivalents	7	3.36	15.22
(iii) Other bank balances		-	-
(iv) Others		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	8		0.00
Total Current Assets		3.36	15.23
TOTAL ASSETS		1,330.93	15.43
EQUITY AND LIABILITIES			
(a) Equity Share capital	9	20.00	20.00
(b) Other Equity	10	1,213.98	(4.87)
Total Equity		1,233.98	15.13
Liabilities			
(1) Non-Current Liabilities			
(a) Financial liabilities			
(i) Other Non-Current Financial Liabilities	11	75.15	-
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)		-	-
Total Non-Current Liabilities		75.15	-
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(A) due to micro enterprises and small enterprises		-	-
(B) due to other than micro enterprises and small enterprises	12	0.12	-
(ii) Other financial liabilities	13	21.63	0.30
(b) Other current liabilities	14	0.05	-
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)		-	-
Total Current Liabilities		21.80	0.30
Total Liabilities		96.95	0.30
TOTAL EQUITY AND LIABILITIES		1,330.93	15.43

Significant Accounting Policies and Notes to Financial Statements 1-27

As per our report of even date attached

For K C Mehta & Co LLP
Chartered Accountants

Shripal Shah
Partner
Membership No. 114988

K C MEHTA & CO LLP
Firm Regn. No.
106237W/W100829
CHARTERED ACCOUNTANTS

Place : New Delhi
Date : May 05, 2023

For and on behalf of the Board

AMIT MEHTA
Chairman
DIN: 00073907

G.S.VENKATACHALAM
Director
DIN: 02205898

Place : Mumbai
Date : May 05, 2023

DACL FINE CHEM LIMITED
Dist. Baroda

DACL Fine Chem Limited
Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakhs)

	Particulars	Note No.	For the year ended March 31,2023	For the year ended March 31,2022
I	Revenue from Operations		-	-
II	Other Income		-	-
III	**Total Income (I+II)**		-	-
IV	**EXPENSES**			
	Cost of materials consumed		-	-
	Changes in inventories of finished goods and work-in-progress		-	-
	Employee benefits expense	15	1.29	-
	Finance costs	16	6.60	-
	Depreciation and Amortisation expense	17	7.59	-
	Other expenses	18	7.96	0.99
	Total expenses (IV)		23.44	0.99
V	**Profit/(Loss) before tax (III-IV)**		(23.44)	(0.99)
VI	**Tax expense:**			
	(a)Current Tax		-	-
	(b)Deferred Tax		-	-
VII	**Profit/(Loss) for the period (V-VI)**		(23.44)	(0.99)
VIII	**Other Comprehensive Income (OCI)**			
	A. Items that will not be reclassified subsequently to profit or loss		-	-
	B. Items that will be reclassified subsequently to profit or loss		-	-
IX	**Total Comprehensive Income for the year ((VII+VIII))**		(23.44)	(0.99)
X	Earnings per equity share Basic & Diluted	22	(11.72)	(0.62)

Significant Accounting Policies and Notes to Financial Statements 1-27

As per our report of even date attached

For K C Mehta & Co LLP
Chartered Accountants

Shripal Shah
Partner
Membership No. 114988

Place : New Delhi
Date : May 05, 2023

For and on behalf of the Board

AMIT MEHTA
Chairman
DIN: 00073907

G.S.VENKATACHALAM
Director
DIN: 02205898

Place : Mumbai
Date : May 05, 2023

K C MEHTA & CO LLP
Firm Regn. No. 106237W/W100829
CHARTERED ACCOUNTANTS

DACL FINE CHEM LIMITED
Dist. Baroda

DACL Fine Chem Limited
Statement of Cash Flows for the year ended March 31, 2023

(₹ in Lakhs)

	Particulars	For the Year ended March 31,2023	For the Year ended March 31,2022
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before tax	(23.44)	(0.99)
	Adjustments for:		
	Finance Cost	6.60	-
	Depreciation / Amortisation / Impairment of Property, Plant and Equipment and Intangible Assets	7.59	-
	Operating Profit/(Loss) before changes in working capital	(9.26)	(0.99)
	Adjustment for (Increase)/Decrease in Operating Assets		
	Other Current Assets	(0.00)	-
	Long-term Loans and Advances and Other Non-current Assets	(9.72)	-
	Adjustment for Increase/(Decrease) in Operating Liabilities		
	Trade Payables	0.12	(0.00)
	Other Financial Liabilities	21.33	(3.05)
	Other Current Liabilities	0.05	-
	Cash flow from operations after changes in working capital	2.54	(4.04)
	Income-tax paid	-	-
	Net Cash Flow from/(used in) Operating Activities	2.54	(4.04)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment (Refer Note No. 4)	(1,325.23)	-
	Net Cash Flow from/(used in) Investing Activities	(1,325.23)	-
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest Expense	(0.18)	-
	Transaction Cost for Issuance of Shares through other equity	(14.22)	-
	Issue of Preference Shares - Series A & Series B (Refer Note No. 4)	1,325.23	-
	Proceeds from issue of Equity Share Capital	-	15.00
	Net Cash Flow from/(used in) Financing Activities	1,310.84	15.00
	Net Increase/ (Decrease) in Cash and Cash Equivalents	(11.86)	10.96
	Cash & Cash Equivalents at beginning of year	15.22	4.26
	Cash and Cash Equivalents at end of year (see Note 1)	3.36	15.22
Notes:			
1	**Cash and Cash equivalents comprise of:**		
	Cash on hand	-	-
	Balance with Banks	3.36	15.22
	Cash and Cash equivalents	3.36	15.22

Significant Accounting Policies and Notes to Financial Statements 1-27

As per our report of even date attached

For K C Mehta & Co LLP
Chartered Accountants

Shripal Shah
Partner
Membership No. 114988

K C MEHTA & CO LLP Firm Regn. No. 106237W/W100829 CHARTERED ACCOUNTANTS

Place : New Delhi
Date : May 05, 2023

For and on behalf of the Board

AMIT MEHTA
Chairman
DIN: 00073907

G.S.VENKATACHALAM
Director
DIN: 02205898

Place : Mumbai
Date : May 05, 2023

DACL FINE CHEM LIMITED Dist. Baroda

DACL Fine Chem Limited

Statement of Changes in Equity for the year ended March 31,2023

A. Equity Share Capital (₹ in Lakhs)

Particulars	Amount
Balance as at April 1, 2021	5.00
Additions/(Reductions)	15.00
Balance as at March 31,2022	20.00
Additions/(Reductions)	-
Balance as at March 31,2023	**20.00**

B. Other Equity (₹ in Lakhs)

Particulars	Reserves & Surplus	Equity component of compound financial instruments	Total
	Retained Earnings		
Balance as at 1st April,2021	(3.88)	-	(3.88)
Movement during the year: Profit / (Loss) for the year	(0.99)	-	(0.99)
Balances as at March 31 2022	(4.87)	-	(4.87)
Movement during the year:			
Additions during the year (Refer Note No. 10)	-	1,256.51	1,256.51
Transaction Cost for Issuance of Shares		(14.22)	(14.22)
Profit / (Loss) for the year	**(23.44)**	-	**(23.44)**
Balances as at March 31 2023	**(28.31)**	**1,242.29**	**1,213.98**

Significant Accounting Policies and Notes to Financial Statements **1-27**

As per our report of even date attached

For K C Mehta & Co LLP
Chartered Accountants

Shripal Shah
Partner
Membership No. 114988

K C MEHTA & CO LLP Firm Regn. No. 106237W/W100829 CHARTERED ACCOUNTANTS

Place : New Delhi
Date : May 05, 2023

For and on behalf of the Board

AMIT MEHTA
Chairman
DIN: 00073907

G.S.VENKATACHALAM
Director
DIN: 02205898

Place : Mumbai
Date : May 05, 2023

DACL FINE CHEM LIMITED Dist. Baroda

DACL Fine Chem Limited

Accompanying Notes to the Financial Statements

1. **Corporate Information**

"DACL Fine Chem Limited" ("the Company") is a domestic public limited company incorporated and domiciled in India and has its registered office at Plot No. 13, PCC Area PO Petrochemicals, Vadodara, Gujarat. The company is yet to commence business of manufacturing, wholesale and retail chemicals in all kinds of chemicals and articles related to chemical industry.

2. **Significant Accounting Policies**

i) **Statement of Compliance**

These Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

A. **New Standards/ amendments and other changes effective April 1,2022 or thereafter**

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, no new standard or modifications in existing standards have been notified which will be applicable from April 1, 2022, or thereafter.

B. **New Standards/ amendments and other changes effective April 1,2023**

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning, restoration and similar obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. *The Company does not expect this amendment to have any significant impact in its financial statements.*

B. **Basis of Preparation**

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments, if any, which have been measured at fair value.

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

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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 two decimal lakhs, unless 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.

C. Property, Plant and Equipment

Property, Plant & Equipment (PPE) comprises of Tangible assets. PPE are stated at cost, net of tax/duty credit availed, if any, after reducing 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 capitalised in accordance with the Company's accounting policy.

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.

As per internal technical evaluation carried out by the management, the management of the company believes that its Property, Plant & Equipment are of such nature that separate components are not distinctly identifiable having different useful life. And therefore, Component level accounting and reporting is not practically feasible for the company.

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 less their estimated residual value, using the straight-line method over the useful life of PPE as stated in the Schedule II to the

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Companies Act, 2013. The management believes that the useful lives as assessed best represent the period over which management expects to use these assets.

Useful lives of class of PPE are as prescribed under Part C of Schedule II to the Companies Act, 2013. 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.

D. Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees.

As a lessee

The Company's lease assets primarily consist of lease for land. The Company assesses whether a contract 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 amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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E. **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) 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.

F. **Statement of Cash Flow**

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.

G. **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.

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(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.

H. 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.

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

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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 'other financial liabilities'.

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

Other Financial Liabilities at amortised cost:
Other financial liabilities (including borrowings and trade and other payables) are subsequently 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.

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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.

I. **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.

J. **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

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when 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.

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(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

Property, Plant and Equipment 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/amortisaion 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) 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.

(iv) Preference Shares

During the year, the Company had issued 1% Optionally Convertible Non-Cumulative Redeemable Preference Shares ("OCRPS") to Diamines and Chemicals Limited ("DACL"), on right basis. The OCRPS are redeemable at par value at maturity, i.e. Series A - 15years and Series B - 20 years from the date of allotment. The Company shall have options to convert the OCRPS into Equity Shares 1 (One) OCPRS of Rs. 10/- each will be converted into 1(One) Equity Share of Rs.10/- each if the option of conversion is exercised by the Issuer. To consider accounting of preference shares as equity or liability depends on the substance of the contractual agreement, rather than its legal form. The Company has issued OCRPS on which the discretion of declaration of dividend is with the issuer. The Company has treated these preference shares as compound financial instrument with separation of estimated dividend payout and residual amount treated as equity.

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DACL FINE CHEM LIMITED Dist. Baroda

4. Property, Plant and Equipment (Including Right-of-use Assets) (₹ in Lakhs)

Particulars	Right-of-use Assets (Lease hold Land)	Building	Total
Gross Block			
As at 31st March, 2021			
Additions			
Deductions/Adjustments			
As at 31st March, 2022	-	-	-
Additions *	1,229.51	95.73	1,325.23
Deductions/Adjustments			
As at 31st March, 2023	1,229.51	95.73	1,325.23
Accumulated Depreciation			
As at 31st March, 2021			
Additions			
Deductions/Adjustments			
As at 31st March, 2022	-	-	-
Additions	6.50	1.09	7.59
Deductions/Adjustments			
As at 31st March, 2023	6.50	1.09	7.59
Net Block			
Balance as at 31st March, 2022	-	-	-
Balance as at 31st March, 2023	1,223.01	94.64	1,317.65

* During the year, the Company has purchased Industrial Plot (Leasehold Land and Building) situated at Dahej, Ankleshwar aggregating to ₹ 1325.23 Lakhs from Parent Company. The Company has allotted 1% Optionally Convertible Non Cumulative Redeemable Preference Shares ("OCRPS") in two series viz. Series A: 66,26,160 Preference shares and Series B: 66,26,160 Preference shares, of ₹10 each at par, towards purchase consideration.

5. Financial Assets : Others (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, Considered Good unless Otherwise Stated)		
Security Deposits	0.20	0.20
Total	0.20	0.20

6. Other Non-current Assets (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, Considered Good unless Otherwise Stated)		
Capital advances	9.72	-
Total	9.72	-

7. Cash and Cash Equivalents (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
In current account	3.36	15.22
Total	3.36	15.22

8. Other Current Assets (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advances to Vendors	0.01	0.00
Total	0.01	0.00

9. Equity Share Capital (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
10,00,000 (P.Y 10,00,000) Equity Shares of ₹ 10/- each	100.00	100.00
Total	100.00	100.00
Issued, Subscribed and Fully Paid Up		
2,00,000 (P.Y 2,00,000) Equity Shares of ₹ 10/- each	20.00	20.00
Total	20.00	20.00

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

Particulars	No. of Shares	Share Capital (₹ in Lakhs)
As at April 1, 2021	50,000	5.00
Additions/(Reductions)	1,50,000	15.00
As at March 31, 2022	2,00,000	20.00
As at April 1, 2022	2,00,000	20.00
Additions/(Reductions)	-	-
As at March 31, 2023	2,00,000	20.00

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Accompanying Notes to the Financial Statements

Right, Preferences and restrictions attached to Equity Shares

(i) The Company has only one class of Equity shares i.e. equity shares having par value of ₹10 each. Each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

Shares held by Holding Company :

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of Holding	No. of shares	% of Holding
Diamines and Chemicals Limited (All equity shares are held by Diamines and Chemicals Limited ('the holding company') and its nominees)	2,00,000	100.00%	2,00,000	100.00%

Details of Shareholders holding more than 5 percent share in Company:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of Holding	No. of shares	% of Holding
Diamines and Chemicals Limited (All equity shares are held by Diamines and Chemicals Limited ('the holding company') and its nominees)	2,00,000	100.00%	2,00,000	100.00%

10. Other Equity (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	(28.31)	(4.87)
Equity component of compound financial instruments	1,242.29	-
Total	1,213.98	(4.87)

Particulars relating to Other Equity (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings		
Balance at the beginning of the year	(4.87)	(3.88)
Add: Net Loss for the year	(23.44)	(0.99)
Balance at the end of the year	(28.31)	(4.87)
Equity component of compound financial instruments		
Balance at the beginning of the year	-	-
Additions/Deductions during the year	1,256.51	-
Less : Transaction Cost for Issuance of Shares	(14.22)	-
Balance at the end of the year	1,242.29	-
Total	1,213.98	(4.87)

Description of the nature and purpose of Other Equity

Retained Earnings: Retained Eamings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves etc.& amount distributed as dividends and related dividend distribution taxes.

Equity component of compound financial instruments:

The compound financial instrument relate to the 1% Optionally Convertible Non Cumulative Redeemable Preference Shares ("OCRPS") issued by the company.

A. Details of authorised, issued, subscribed and paid-up preference share capital

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
70,00,000 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each : Series A (P.Y. : NIL)	700.00	-
70,00,000 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each : Series B (P.Y. : NIL)	700.00	-
Total	1,400.00	-
Issued, Subscribed and Fully Paid Up		
66,26,160 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each : Series A (P.Y. : NIL)	662.62	-
66,26,160 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each : Series B (P.Y. : NIL)	662.62	-
Total	1,325.23	-

Terms of conversion attached to 1% Optionally Convertible Non Cumulative Redeemable Preference Shares

(i) 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each : Series A - OCRPS shall be convertible into equity shares at the option of the company, within a period of 15 years based on the valuation report from a approved valuer. The Company shall have options to convert the OCRPS into Equity Shares, 1 (One) OCPRS of Rs. 10/- each will be converted into 1(One) Equity Share of Rs.10/- each or at the option of Board of Directors of the Company .

(ii) 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each : Series B - - OCRPS shall be convertible into equity shares at the option of the company, within a period of 15 years based on the valuation report from a approved valuer. The Company shall have options to convert the OCRPS into Equity Shares, 1 (One) OCPRS of Rs. 10/- each will be converted into 1(One) Equity Share of Rs.10/- each or at the option of Board of Directors of the Company .

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Accompanying Notes to the Financial Statements
Reconciliation of number of preference shares outstanding at the beginning and at the end of reporting period is as under:

Particulars	No. of Shares	Share Capital (₹ in Lakhs)
As at April 1, 2021	-	-
Additions/(Reductions)	-	-
As at March 31, 2022	-	-
As at April 1, 2022	-	-
Additions/(Reductions)	**1,32,52,320**	**1,325.23**
As at March 31, 2023	**1,32,52,320**	**1,325.23**

Terms and Rights, preferences and restrictions attached to the preference shares :
(i) The Company has preference shares having a par value of ₹ 10/- per share. OCRPS shall carry voting rights at par with existing equity shareholders of the Company.

(ii) During the year, the Company had issued OCRPS to Diamines and Chemicals Limited ("DACL"), on right basis. The OCRPS are at par value at maturity, i.e. Series A - 15 years and Series B - 20 years from the date of allotment. The Company shall have options to convert the OCRPS into Equity Shares. 1 (One) OCPRS of Rs. 10/- each will be converted into 1(One) Equity Share of Rs.10/- each or at the option of Board of Directors of the Company .

(iii) Right of conversion will be laid with the company. If the company does not exercise conversion option on or before end of OCRPS tenure and redemption is contemplated, in such case, if the aggregate value of equity shares which would have been issued to DACL upon conversion (based on Valuation Report) exceeds the aggregate of (a) consideration paid by DACL towards OCRPS or; (b) any premium to be paid at the time of redemption, the company shall not deny the conversion of OCPRS into equity shares if DACL insists so.
This right of DACL would apply to and can be exercised by DACL in the above referred situation only and redemption value will be based on Valuation report received from Registered Valuer of the company.

Shares held by Holding Company :

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of Holding	No. of shares	% of Holding
Diamines and Chemicals Limited	1,32,52,320	100.00%	-	0.00%

Details of Shareholders holding more than 5 percent share in Company:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of Holding	No. of shares	% of Holding
Diamines and Chemicals Limited	1,32,52,320	100.00%	-	0.00%

11. Other Non-Current Financial Liabilities **(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Liability component of compound financial instruments *	75.15	-
Total	75.15	-

* Represents probable dividend liability on OCRPS

12. Trade Payables
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 :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Micro, Small & Medium Enterprises*	-	-
Others	0.12	-
Total	0.12	-

* Payment made to suppliers beyond the due date during the year was ₹ **Nil** (P.Y ₹ Nil). No interest during the year has been paid to Micro and Small Enterprises as there were no delayed payments. Further, interest accrued and remaining unpaid at the year end is ₹ (P.Y ₹ Nil)

12(i) Ageing Schedule for MSME and other Trade payables

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment *	
	Less than 1 year	Total
A. Cases where due date of payment is specified		
(i) MSME	-	-
	(-)	(-)
(ii) Others	0.12	0.12
	(-)	(-)

Amounts in bracket indicate previous year figures.
* None of the vendors balance falls under category of more than 1 year.

13. Other Financial Liabilities **(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Other Payables		
- Others	0.57	0.30
- Related Party (Parent Company)	21.06	-
Total	21.63	0.30

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Accompanying Notes to the Financial Statements

14. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	0.05	-
Total	0.05	-

15. Employee Benefits Expense

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Salaries and Wages	1.29	-
Total	1.29	-

16. Finance Costs

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest expense		
- unwinding of interest on OCRPS	6.42	-
- others	0.18	
Total	6.60	-

17. Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31,2023	For the year ended March 31,2022
Depreciation on PPE (Including Right-of-use Assets)	7.59	-
Total	7.59	-

18. Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31,2023	For the year ended March 31,2022
Power & Fuel Charges	1.12	-
Rates and Taxes	0.41	0.00
Legal and Professional Fees	1.76	0.55
Auditor's Remuneration		
- Audit Fees	0.25	0.30
Filling Fees	0.02	0.09
Security Charges	3.05	-
Miscellaneous expenses	1.36	0.05
Total	7.96	0.99

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19. Disclosures on Financial Ratios

	Ratio	Numerator	Denominator	31-03-2023	31-03-2022		Variance %	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	0.15	51.61	Times	-99.70%	The variance is due to loan in the current year and simultaneous decrease in cash & cash equivalents in the current year.
2	Debt- Equity Ratio	Total Debt	Shareholder's Equity	-	-	Times	-	-
3	Debt Service Coverage Ratio	Earnings available for debt service (1)	Debt Service (2)	-	-	Times	-	-
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	-3.75%	-6.55%	%	-42.69%	The variance is primarily due to equity component of compound financial instruments.
5	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	-	-	Times	-	-
6	Trade Receivable Turnover Ratio	Net Credit Sales (3)	Average Accounts Receivable	-	-	Times	-	-
7	Trade Payables Turnover Ratio	Net Credit Purchases (4)	Average Trade Payables	-	-	Times	-	-
8	Net Capital Turnover Ratio	Net Sales (5)	Working Capital (6)	-	-	Times	-	-
9	Net Profit Ratio	Net Profit	Net Sales (5)	-	-	%	-	-
10	Return on Capital Employed	Earnings before Interest and Taxes	Capital Employed (7)	-1.29%	-6.55%	%	-80.36%	The variance is primarily due to equity component of compound financial instruments.
11	Return on Investment	Income from invested funds (8)	Average Invested Funds (9)	-	-	%	-	-

(1) Net Profit after taxes + Non-cash operating expenses (like depreciation and other amortizations) + Interest + Other Adjustments (like Loss on sale of PPE)
(2) Interest & Lease Payments + Principal Repayments
(3) Gross Credit Sales - Sales Return
(4) Gross Credit Purchases - Purchase Return
(5) Total Sales - Sales Return
(6) Current Assets - Current Liabilities
(7) Tangible Net Worth + Total Debt + Deferred Tax Liability
(8) Income generated from invested funds represents Interest Income, Actual Gain / (Loss) on Sale of Investments in Shares / Mutual Funds and Notional Gain / (Loss) on unsold Investments in Shares /Mutual Funds
(9) Average Invested funds represents Average Investments in Fixed deposits, Equity Shares and Mutual Funds

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20 The Company has increased its paid-up share capital in the month of February 2023 and is in the process of appointing Key managerial personnel (KMP) as stipulated under section 203 of the Companies Act, 2013.

21 **Capital and Other Commitments and Contingent Liabilities**
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) **₹ 21,35,000/-** (P.Y ₹ Nil)
There is no contingent liability of the company not provided for as at March 31, 2023 (P.Y ₹ Nil).

22 **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
Profit/**(Loss)** available to equity shareholders (**₹ in Lakhs**)	**(23.44)**	(0.99)
Weighted Average Number of Equity Shares	**2,00,000**	1,60,137
Earnings Per Share of ₹ 10 each		
- Basic	**(11.72)**	(0.62)
- Diluted	**(11.72)**	(0.62)

23 **Related Party Disclosures**
Disclosures in respect of Related Parties transactions:

(a) Name of related parties and description of their nature of relationship are as under:

(A) Key Managerial Personnel:

Mr. Amit M Mehta	Chairman
Mr. G. S. Venkatachalam	Director
Mr. Mohak Mehta	Director
Mr. Tanmay Godiawala	Director

(B) Holding Company

Diamines and Chemicals Limited	Holding Company

(b) **The following transactions were carried out with the related parties in ordinary course of business during the period:**

(₹ in Lakhs)

Nature of Transaction	**Holding Company**	**Total**
Issue of Share Capital	**NIL**	**NIL**
	(15.00)	(15.00)
Expenses incurred on behalf of the Company	**5.91**	**5.91**
	(NIL)	(NIL)
Interest Payable to	**0.18**	0.18
	(NIL)	(NIL)
Loan Received from	**15.00**	**15.00**
	(NIL)	(NIL)
Purchase of Property, Plant and Equipment	**1,325.23**	**1,325.23**
	(NIL)	(NIL)
Issue of Preference Shares - Series A	**662.62**	**662.62**
	(NIL)	(NIL)
Issue of Preference Shares - Series B	**662.62**	**662.62**
	(NIL)	(NIL)

Amounts in bracket indicate previous year figures.

Balance outstanding as at March 31 :

(₹ in Lakhs)

Payable	**Holding Company**	**Total**
Other Payables	**21.06**	**21.06**
	(NIL)	(NIL)

Amounts in bracket indicate previous year figures.

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24 Financial instruments disclosure

Given the current level of operations, the following disclosures are made for financials instruments.

The capital structure of the Company consists of total equity (Refer note 9 & 10). The Company is not subject to any externally imposed capital requirements.

(a) Financial assets and liabilities:

Categories of financial instruments (₹ in Lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Financial assets		
Measures at amortised cost		
(a) Cash and cash equivalents	3.36	15.22
(b) Other financial assets	0.20	0.20
(c) Other non-current assets	9.72	-
(d) Other current assets	-	0.00
Financial liabilities		
Measures at amortised cost		
(a) Other Non-Current Financial Liabilities	75.15	-
(b) Trade Payable	0.12	-
(c) Other financial liabilities	21.63	0.30
(d) Other current liabilities	0.05	-

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 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 Company monitors capital regularly. The capital structure of the Company as at March 31, 2023 does not include any debt.

(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 other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents. The company is presently not exposed to market risk, credit risk, liquidity risk etc. as it is yet to commence the operations.

25 The Company do not have any transactions with struck off companies.

26 The previous year's figures have been regrouped wherever necessary to make it comparable with the current year.

27 Approval of financial statements

The financial statements were approved for issue by the Board of Directors in its meeting held on May 05, 2023

As per our report of even date attached

For K C Mehta & Co LLP
Chartered Accountants

Shripal Shah
Partner
Membership No. 114988

Place : New Delhi
Date : May 05, 2023

For and on behalf of the Board

AMIT MEHTA
Chairman
DIN: 00073907

G.S.VENKATACHALAM
Director
DIN: 02205898

Place : Mumbai
Date : May 05, 2023

DACL FINE CHEM LIMITED Dist. Baroda

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