

DACL FINE CHEM LIMITED

Annual Accounts

For the period ended 31st March 2021

AUDITORS

K C Mehta & Co.

Chartered Accountants

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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, 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the period July 30, 2020 to March 31, 2021, 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, 2021, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the period July 30, 2020 to March 31, 2021.

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.

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 in the Board's Report including Annexures to Board's Report 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 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 other 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, 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, 2016 ("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;
 - 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, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 period July 30, 2020 to March 31, 2021; and
 - h. 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 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, 2021; and
- (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



Vishal P. Doshi

Partner

Membership No. 101533

UDIN: 21101533AAAAAX4878

Place: Vadodara

Date: May 14, 2021



ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
(referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **DACL Fine Chem Limited**)

- i. The Company does not have fixed assets and therefore, reporting under clause (i) of the Order is not applicable to the Company.
- ii. The Company does not have any inventory and therefore, reporting under clause (ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, reporting under clause (iii) (a) to clause (iii) (c) 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 during the period July 30, 2020 to March 31, 2021 from the public within the meaning of provisions of section 73 to 76 of the Act, and the rules framed thereunder or under the directives issued by the Reserve Bank of India and therefore, reporting under clause (v) of the Order is not applicable to the Company.
- 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 been regular in depositing with appropriate authorities undisputed statutory dues, including income-tax and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of income tax and other statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they become payable.
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income tax, duty of customs and goods and services tax which have not been deposited on account of any dispute.
- viii. The Company has not taken any loans or borrowings from any financial institution, banks or Government nor has it issued any debentures and therefore, reporting under clause (viii) of the Order is not applicable to the Company.



- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the period July 30, 2020 to March 31, 2021 and therefore, reporting under clause (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the period July 30, 2020 to March 31, 2021.
- xi. According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration during the period July 30, 2020 to March 31, 2021 and therefore, reporting under clause (xi) of the Order is not applicable to the Company.
- xii. In our opinion, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period July 30, 2020 to March 31, 2021 and therefore, reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him and therefore, reporting under clause (xv) of the Order is not applicable to the Company.
- xvi. In our opinion and 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.

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



Vishal P. Doshi
Partner

Membership No. 101533

UDIN: 21101533AAAAAX4878

Place: Vadodara

Date: May 14, 2021



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, 2021 in conjunction with our audit of the financial statements of the Company for the period July 30, 2020 to March 31, 2021.

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 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, assessing the risk 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, 2021, 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.
Chartered Accountants
Firm's Registration No. 106237W



Vishal P. Doshi
Partner

Membership No. 101533

UDIN: 21101533AAAAAX4878

Place: Vadodara

Date: May 14, 2021



DACL Fine Chem Limited
Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021
ASSETS		
(1) Non-Current Assets		
(a) Property, Plant and Equipment		-
(b) Capital work-in-progress		-
(c) Intangible assets		-
(d) Financial Assets		-
(i) Investments		-
(ii) Others		-
(e) Other non-current assets	4	0.20
Total Non-Current Assets		0.20
(2) Current Assets		
(a) Inventories		-
(b) Financial Assets		-
(i) Trade receivables		-
(ii) Cash and cash equivalents		4.26
(iii) Other bank balances	5	-
(iv) Others		-
(c) Current Tax Assets (Net)		-
(d) Other current assets		-
Total Current Assets	6	0.00
TOTAL ASSETS		4.26
		4.46
EQUITY AND LIABILITIES		
(a) Equity Share capital	7	5.00
(b) Other Equity	8	(3.88)
Total Equity		1.12
Liabilities		
(1) Non-Current Liabilities		
(a) Provisions		-
(b) Deferred Tax Liabilities (Net)		-
Total Non-Current Liabilities		-
(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		-
(ii) Other financial liabilities	9	0.00
(b) Other current liabilities	10	3.34
(c) Provisions		-
(d) Current Tax Liabilities (Net)		-
Total Current Liabilities		3.34
Total Liabilities		3.34
TOTAL EQUITY AND LIABILITIES		4.46

Significant Accounting Policies and Notes to Financial Statements

As per our report of even date attached


For K. C. Mehta & Co.
Chartered Accountants


Vishal P. Doshi
Partner
Membership No. 101533



1-18

For and on behalf of the Board


ANSHU MEHTA
Chairman
DIN: 00073907


G.S. VENKATCHALAM
Director
DIN: 02205898



Place : Mumbai
Date : May 14, 2021

DACL Fine Chem Limited
Statement of Profit and Loss for the period July 30, 2020 to March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	For the period July 30, 2020 to March 31, 2021
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		-
Finance costs		-
Depreciation and Amortisation expense		-
Other expenses		-
Total expenses (IV)	11	3.88
V Profit/(Loss) before tax (III-IV)		3.88
VI Tax expense:		(3.88)
(a) Current Tax		-
(b) Deferred Tax		-
VII Profit/(Loss) for the period (V-VI)		(3.88)
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))		(3.88)
X Earnings per equity share		
Basic & Diluted	14	(7.76)

Significant Accounting Policies and Notes to Financial Statements

1-18

As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi

Vishal P. Doshi
Partner
Membership No. 101533



For and on behalf of the Board

Amit Mehta
AMIT MEHTA
Chairman
DIN: 00073907

G.S. Venkatachalam

G.S.VENKATACHALAM
Director
DIN: 02205898

Place : Mumbai
Date : May 14, 2021



DACL Fine Chem Limited
Statement of changes in Equity for the period July 30, 2020 to March 31, 2021

A. Equity Share Capital

Particulars	(₹ in Lakhs)
Balance as at April 1, 2020	-
Additions/(Reductions)	5.00
Balance as at March 31, 2021	5.00

B. Other Equity

Particulars	Reserves & Surplus		Total
	General Reserve	Retained Earnings	
Balances as at April 1, 2020	-	-	-
Movement during the year: Profit / (Loss) for the period	-	(3.88)	(3.88)
Balances as at March 31, 2021	-	(3.88)	(3.88)

Significant Accounting Policies and Notes to Financial Statements

1-18

As per our report of even date attached


For K. C. Mehta & Co.
Chartered Accountants


Vishal P. Doshi
Partner
Membership No. 101533



For and on behalf of the Board


AMIT MEHTA
Chairman
DIN: 00073907


G.S.VENKATACHALAM
Director
DIN: 02205898



Place : Mumbai
Date : May 14, 2021

DACL Fine Chem Limited
Statement of Cash Flows for the period July 30, 2020 to March 31, 2021

		(₹ in Lakhs)
Particulars		For the period July 30, 2020 to March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax		(3.88)
Operating Profit/(Loss) before changes in working capital		
Adjustment for (Increase)/Decrease in Operating Assets		(3.88)
Other Financial Assets		
Other Current Assets		(0.20)
Adjustment for Increase/(Decrease) in Operating Liabilities		(0.00)
Trade Payables		
Other Financial Liabilities		0.00
Cash flow from operations after changes in working capital		3.34
Income-tax paid		(0.74)
Net Cash Flow from/(used in) Operating Activities		-
		(0.74)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received		
Net Cash Flow from/(used in) Investing Activities		-
		-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Share Capital		
Net Cash Flow from/(used in) Financing Activities		5.00
		5.00
Net Increase/ (Decrease) in Cash and Cash Equivalents		
Cash & Cash Equivalents at beginning of period		4.26
Cash and Cash Equivalents at end of period (see Note 1)		-
		4.26
Notes:		
1	Cash and Cash equivalents comprise of:	
	Cash on hand	
	Balance with Banks	-
	Cash and Cash equivalents	4.26
		4.26

As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Vishal P. Doshi
Partner
Membership No. 101533



For and on behalf of the Board

Amil Mehta
AMIL MEHTA
Chairman
DIN: 00073907

G. S. Venkatachalam

G.S.VENKATACHALAM
Director
DIN: 02205898

Place : Mumbai
Date : May 14, 2021



DACL Fine Chem Limited

Accompanying Notes to the Financial Statements

1. Corporate Information

The Company is incorporated on July 30, 2020. The financial statements of "DACL Fine Chem Limited" ("the Company") are for the period July 30, 2020 to March 31, 2021.

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 engaged in 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).

New Standards/ amendments and other changes effective April 1,2020

Ministry of Corporate Affairs notified amendments to the existing standards vide notification G.S.R. 463(E) dated 24th July 2020. The effect of those amendments is not material.

ii) 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.

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.

iii) 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.

iv) 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.

v) 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 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.

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.

vi) 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.

vii) 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.

(i) 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.



DACL Fine Chem Limited
Accompanying Notes to the Financial Statements

4. Financial Assets : Others

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	
(Unsecured, Considered Good unless Otherwise Stated)		
Security Deposits		0.20
Total		0.20

5. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	
Balances with Banks		
In current account		4.26
Total		4.26

6. Other Current Assets

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	
Unsecured, considered good		
Advances to vendors		0.00
Total		0.00

7. Equity Share Capital

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	
Authorised		
10,00,000 Equity Shares of ₹ 10/- each		100.00
Total		100.00
Issued, Subscribed and Fully Paid Up		
50,000 Equity Shares of ₹ 10/- each		5.00
Total		5.00

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, 2020		
Additions/(Reductions)	-	-
As at March 31, 2021	50,000	5.00
	50,000	5.00

Right, Preferences and restrictions attached to Shares

- (i) The Company has only one class of 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, 2021	
	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)	50,000	100.00%



DACL Fine Chem Limited**Accompanying Notes to the Financial Statements****Details of Shareholders holding more than 5 percent share in Company:**

Name of the Shareholder	As at March 31, 2021	
	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)	50,000	100.00%

8. Other Equity

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	
General Reserve	-	
Retained Earnings	(3.88)	
Total	(3.88)	

Particulars relating to Other Equity

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	
Balance at the beginning of the year	-	
Additions/Deductions during the year	-	
Balance at the end of the year	-	
Retained Earnings		
Balance at the beginning of the year	-	
Add: Net Profit for the year	(3.88)	
Balance at the end of the year	(3.88)	
Total	(3.88)	

Description of the nature and purpose of Other Equity

General Reserve : The General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the provisions of Companies Act, 2013.

Retained Earnings: Retained Earnings 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.

9. 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 :

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	
Micro, Small & Medium Enterprises*	-	
Others	0.00	
Total	0.00	

* Payment made to suppliers beyond the due date during the year was ₹ 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 ₹ Nil

10. Other Financial Liabilities

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	
Audit Fees Payable	0.25	
Other advances	3.09	
Total	3.34	



DACL Fine Chem Limited
Accompanying Notes to the Financial Statements

11. Other Expenses

(₹ in Lakhs)

Particulars	For the period July 30, 2020 to March 31, 2021
Rates and Taxes	0.19
Incorporation Fees	2.57
Legal and Professional Fees	0.73
Auditor's Remuneration -Audit Fees	0.25
Filing Fees	0.02
Courier Expenses	0.00
Printing and Stationery	0.11
Miscellaneous expenses	0.00
Total	3.88



DACL Fine Chem Limited
Accompanying Notes to the Financial Statements

- 12 **Capital and Other Commitments**
 Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) ₹ Nil
- 13 There is no contingent liability of the company not provided for as at March 31, 2021.
- 14 **In accordance with Ind AS - 33, "Earnings Per Share", the Basic and Diluted EPS have been calculated as under:**

Particulars	As at
Profit (Loss) available to equity shareholders (₹ in Lakhs)	March 31, 2021 (3.88)
Weighted Average Number of Equity Shares	50,000
Earnings Per Share of ₹ 10 each	
- Basic	(7.76)
- Diluted	(7.76)

15 **Related Party Disclosures**

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

- (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 (w.e.f. 25th August, 2020)
Mr. Mohak Mehta	Director
Mr. Tannay Godiawala	Director

(B) Holding Company

Diamines and Chemicals Limited	Holding Company (since incorporation)
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(C) Entities over which Key Managerial Personnel exercise significant influence:

S Amit & Co.
 S Amit Speciality Chemicals Pvt. Ltd
 Divya Desh Tour & Travels LLP
 Holidaywalas Com Travel LLP
 Perfo Chem (I) Private Limited
 Reaxa Chemistry Solutions LLP
 Hi End Property Developers LLP
 Mohar Properties and Trading LLP
 Finorga (I) Pvt. Ltd.
 Chem Amit
 Godiawala Trading Corporation

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

Nature of Transaction	Holding Company	(₹ in Lakhs)
Expenses incurred by Holding Company on behalf of the Company	Diamines and Chemicals Limited	3.09
Issue of Share Capital	Diamines and Chemicals Limited and its nominees	5.00

Balance outstanding as at March 31, 2021 :

Payable	Holding Company	(₹ in Lakhs)
Advances Payable to Holding Company	Diamines and Chemicals Limited	3.09



16 Financial instruments disclosure

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

The capital structure of the Company consists of total equity (Refer note 7 & 8). The Company is not subject to any externally imposed capital requirements.

(a) Financial assets and liabilities:

Categories of financial instruments Particulars	(₹ in Lakhs)
	As at March 31, 2021
Financial assets	
Measures at amortised cost	
(a) Cash and cash equivalents	4.26
(b) Other financial assets	0.20
Financial liabilities	
Measures at amortised cost	
(a) Trade Payable	0.00
(b) Other financial liabilities	3.34

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, 2021 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.

17 This is the first set of financial statements of the company relating to the period from July 30, 2020 i.e. the date of incorporation of the Company to March 31, 2021, hence presentation of the comparative figures for the immediately preceding period is not applicable.

18 Approval of financial statements

The financial statements were approved for issue by the Board of Directors in their meeting held on May 14, 2021.

As per our report of even date attached


For K. C. Mehta & Co.
Chartered Accountants


Vishal P. Doshi
Partner
Membership No. 101533



For and on behalf of the Board


ANIL MEHTA
Chairman
DIN: 00073907


G.S. VENKATACHALAM
Director
DIN: 02205898



Place : Mumbai
Date : May 14, 2021