



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of **Daikaffil Chemicals India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI"), together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Emphasis of Matter – Material Uncertainty related to Going Concern

We draw attention to Note No. 40 to the financial statements which describes the facts about planned closure of manufacturing operations for limited period of time in FY 2021-22, primarily on account of dry-up of sales orders and management's actions to reduce the fixed costs and focus on increasing trading activities till the time manufacturing operations restart. The Company's 48.48% equity share capital is acquired by Mikusu India Private Limited which is wholly owned subsidiary of Heranba Industries Limited during the year. Due to significant change in control over the board of directors of the Company and accordingly the Company has been treated as subsidiary company of the ultimate holding company "Heranba Industries Limited".

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

Our conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report except as reported in Emphasis of Matter above para.

Information Other than the Financial Statements and Auditors' Report Thereon

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



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

In connection with our audit of the financial statements, our responsibility is to read the other information and identified above when it becomes available, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e. The matter described in Material Uncertainty related to Going Concern paragraph mentioned hereinabove, in our opinion, may have an adverse effect on the functioning of the Company;
 - f. On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - h. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:
 - i. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act.
 - j. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 36 to the financial statements.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were material



foreseeable losses as at March 31, 2024.

- iii. there has been no delay in transferring the amount, required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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

Bhupendra

BHUPENDRA GANDHI
Partner
Membership No:122296
UDIN: 24122296BKBLVP2321
Place: Mumbai
Date: May 25, 2024



ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Independent Auditors' Report to the members of **Daikaffil Chemicals India Limited** ("the Company") on the financial statements for the year ended March 31, 2024, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company does not have any intangible assets and therefore, reporting under clause (i)(a)(B) of the Order is not applicable to the Company.
- (b) The Company has a regular program of physical verification of property, plant and equipment and Right of use assets which, in our opinion is reasonable. The assets which were to be covered as per the said program have not been physically verified by the management during the year. As the management has not carried out any verification during the year, we are unable to comment whether the discrepancies, if any, are material.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in financial statements are held in the name of the Company.
- (d) The Company has changed its accounting policy to account Property, Plant and Equipment (PPE) including Leasehold land) from Revaluation model to Cost model during the year to align with accounting policy of its ultimate holding Company "Heranba Industries Limited". The Company has reversed revaluation reserve of Rs. 992.34 lakhs and recomputed depreciation over its PPE under cost model. Annual impact over profit and loss account have been disclosed under note 3 to financial statements.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventory of finished goods, stores, spare parts and raw materials have been physically verified by the management. In our opinion, the coverage and procedure of such verification by management is appropriate. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were less than 10% in aggregate for each class of inventories and have been properly dealt with in the books of account.
- (b) The Company has not availed any working capital limits at any point of time during the year, from banks or financial institutions and therefore, reporting under clause (ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investments, provided any guarantee or security, or granted any loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year, and therefore, reporting under Clause (iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 186 of the Act in respect of the Investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are considered to be deemed deposits during the year, hence directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder are not applicable to the Company. According to information and explanations provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) The maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013, is not applicable to the company in view of rule 3 of the Companies (Cost Records and Audit) Rules, 2014, as amended.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, Cess and any other statutory dues



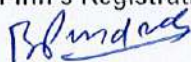
applicable to it with the appropriate authorities. Further, no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, Cess and any other statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues as referred to in sub clause (a) above which have not been deposited on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not taken any loans or other borrowings from any lender and therefore, reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared 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 no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the records of the company, we report that the company has not taken any funds from any entity or person and does not have any subsidiary, associates or joint venture and therefore, reporting under clause (ix) (e) of the order is not applicable to the Company.
- (f) The Company has not raised any loans during the year and therefore reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and therefore, reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.
- (c) According to the information and explanations given to us, no whistle blower complaints were received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.



- (xv) The Company has not entered into non-cash transactions with directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted non-banking financial activities or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The Group does not have any CIC. Accordingly, clauses xvi(d) are not applicable to the Company.
- (xvii) The Company has incurred cash losses of Rs. 154.09 Lakhs in the current year and cash losses of Rs. 153.39 Lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

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


BHUPENDRA GANDHI
Partner
Membership No:122296
UDIN: 24122296BKBLVP2321
Place: Mumbai
Date: May 25 ,2024



ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Independent Auditors' report of even date to the members of Daikaffil Chemicals India Limited on the financial statements for the year ended March 31, 2024

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

We have audited the internal financial controls with reference to financial statements of Daikaffil Chemicals India Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and



not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024 based on the internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Bhupendra

BHUPENDRA GANDHI
Partner
Membership No:122296
UDIN: 24122296BKBLVP2321
Place: Mumbai
Date: May 25, 2024



DAIKAFFIL CHEMICALS INDIA LIMITED


Balance Sheet as at March 31, 2024

(₹ in Lakhs)

Particulars	Note	As at March 31, 2024	As at March 31, 2023 (Restated)	As at April 1, 2022 (Opening -Restated)
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipments	3	123.91	161.70	214.55
(b) Right-of-use assets	3	39.00	39.00	39.00
(c) Capital work-in-progress	3.1	4.61	4.61	4.61
(d) Financial Assets				
(i) Investments	4	18.72	18.72	18.72
(ii) Loans	5	0.41	0.41	1.77
(iii) Others	6	18.40	18.69	14.98
(e) Non Current Tax Assets (Net)	7	5.76	10.00	10.81
(f) Deferred tax assets (Net)	18	2.40	3.33	9.20
Total Non- Current Assets		213.21	256.47	313.64
(2) Current assets				
(a) Inventories	8	116.69	116.69	162.44
(b) Financial assets				
(i) Trade receivables	9	-	-	14.22
(ii) Cash and cash equivalents	10	751.91	100.17	856.54
(iii) Bank balances other than (ii) above	11	68.15	54.38	72.13
(iv) Loans	12	-	1.68	1.68
(v) Others	13	3.27	721.33	1.80
(c) Other current Assets	14	25.04	20.38	80.67
Total Current Assets		965.05	1,014.63	1,189.48
Total Assets		1,178.27	1,271.10	1,503.12
EQUITY AND LIABILITIES				
(a) Equity Share capital	15	600.00	600.00	600.00
(b) Other Equity	16	453.72	643.94	857.29
Total Equity		1,053.72	1,243.94	1,457.29
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Lease Obligation		-	-	-
(b) Provisions	17	-	-	6.90
(c) Deferred tax liabilities (Net)		-	-	-
Total Non- Current Liabilities		-	-	6.90
(2) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables				
(A) due to micro enterprises and small enterprises	19	-	-	-
(B) due to other than micro enterprises and small enterprises		2.00	3.14	12.04
(ii) Lease Obligation		-	-	-
(iii) Other Financial liabilities	20	93.64	13.64	20.09
(b) Other current liabilities	21	11.45	1.10	1.83
(c) Provisions	22	17.47	9.28	4.97
Total Current Liabilities		124.55	27.16	38.93
Total Liabilities		124.55	27.16	45.83
Total Equity and Liabilities		1,178.27	1,271.10	1,503.12
Materials Accounting Policies and Notes to Financial Statements	1-44			

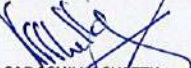
As per our report of even date attached.


For NGST & Associates
Chartered Accountants
Firm Regn. No. 135159W


Bhupendra S. Gandhi
Partner
Membership No. 122296




For and on behalf of the Board of Directors


SADASHIV K SHETTY Chairman
(DIN : 00038681)


RAGHURAM SHETTY Managing Director
(DIN : 00038703)


SUNIL SHEDGE Chief Financial Officer


ALESHA HAKIM KHAN Company Secretary
(Membership No. A55659)



Place : Mumbai
Date : May 25, 2024

Place : Mumbai
Date : May 25, 2024

DAIKAFFIL CHEMICALS INDIA LIMITED

Statement of Profit and Loss for the year ended March 31, 2024

(₹ in Lakhs)

Particulars		Note	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
I	Revenue from operations	23	-	63.71
II	Other income	24	71.11	40.99
III	Total Income : (I+II)		71.11	104.70
IV	Expenses			
	(a) Cost of raw materials consumed	25	-	45.75
	(b) Purchase of Stock-in-trade	26	-	4.63
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	-	-
	(d) Employee benefit expense	28	162.72	120.63
	(e) Finance costs	29	0.47	0.05
	(f) Depreciation and amortisation expense	30	35.19	54.10
	(g) Other expenses	31	62.01	87.04
	Total expenses : (IV)		260.39	312.19
V	Profit before tax (I-IV)		-189.28	-207.49
VI	Tax Expense :	32		
	(1)Current Tax		-	-
	(2)Deferred Tax		0.94	5.87
	(3)Tax Adjustment of earlier year		-	-
			0.94	5.87
VII	Profit for the year (V-VI)		-190.22	-213.36
VIII	Other Comprehensive Income (OCI)			
	A (i) Items that will not be reclassified to profit or loss.			
	- Employee Benefits		-	-
	- Changes in revaluation surplus		-	-
	(ii) Income Tax relating to item that will not be reclassified to profit or loss.			
	- Employee Benefits (Def. Tax)		-	-
	- Depreciation Effect on Revaluation (Def. Tax)		-	-
	- Reversal of Earlier Provision for Doubtful Debts (Def. Tax)		-	-
	- Changes in revaluation surplus (Def Tax)		-	-
	B (i) Items that will be reclassified to profit and loss		-	-
	(ii) Income Tax relating to item that will be reclassified to profit and loss.		-	-
IX	Total Comprehensive Income for the year (VII+VIII) (Comprising Profit (Loss) and other comprehensive Income for the year)		-190.22	-213.36
X	Earnings per Equity share Basic & Diluted	33	(3.17)	(3.56)
Materials Accounting Policies and Notes to Financial Statements		1-44		

As per our report of even date attached.

For NGST & Associates
Chartered Accountants
Firm Regn. No. 135159W

Bhupendra S. Gandhi
Partner
Membership No. 122296



For and on behalf of the Board of Directors

SADASHIV K SHETTY
Chairman
(DIN : 00038681)

RAGHURAM SHETTY
Managing Director
(DIN : 00038703)

SUNIL SHEDGE
Chief Financial Officer

ALESHA HAKIM KHAN
Company Secretary
(Membership No. A55659)

Place : Mumbai
Date : May 25, 2024

Place : Mumbai
Date : May 25, 2024

DAIKAFFIL CHEMICALS INDIA LIMITED

Statement of Cash Flows for the year ended on March 31, 2024 (₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) before Tax and extraordinary items	-189.28	-207.49
ADJUSTMENTS FOR :		
Depreciation and amortisation expenses	35.19	54.10
Finance Charge	0.47	0.05
Profit on Sale of Assets	-	-
Reversal of impairment of receivables	-10.31	-
Sundry Balanace written off	-	-0.28
Unrealised Exchange gain/(loss)	-	-0.11
Rent Concession	-	-
Interest Income	-60.80	-40.60
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES.	-224.72	-194.33
ADJUSTMENTS FOR :		
Trade and other Receivables	-	14.22
Inventories	-0.00	45.75
Loans and Other Financial Assets	720.03	-721.88
Item relating to Other Comprehensive Income	-	-
Other Assets	-0.42	60.82
Trade payable	-1.15	-8.90
Other Financial Liabilities	80.00	-6.45
Other Liabilities and provisions	18.07	-4.14
	816.53	-620.57
Cash Generated from Operations	591.82	-814.90
Direct Taxes (net off refund)	-	1.43
NET CASH USED IN OPERATING ACTIVITIES (A)	591.82	-813.47
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/(Sale) of Fixed Assets (Including Capital WIP)	12.90	-1.25
Fixed Deposit Investment (net)	-13.76	17.75
Interest on Fixed Deposits	60.80	40.60
NET CASH FROM INVESTING ACTIVITIES (B)	59.93	57.10
C. CASH FLOW FROM FINANCING ACTIVITIES		
Lease Rent Paid	-	-
NET CASH USED IN FINANCING ACTIVITIES (C)	-	-
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	651.75	-756.37
CASH & CASH EQUIVALENTS COMPRISES OF:		
Opening Balance at Beginning of the year	100.17	856.54
Closing Balance at the End of the year	751.91	100.17
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS	651.75	-756.37

Notes:

1	Cash and Cash equivalents comprise of:		
	Cash on Hand	0.11	0.37
	Balance with Banks	751.80	99.80
	Cash and Cash equivalents	751.91	100.17
	Effect of unrealised foreign exchange(gain)/loss (net)	-	-
	Cash and Cash equivalents as restated	751.91	100.17
2	The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 - "Statement of Cash Flows".		
3	Figures of the previous year have been regrouped / reclassified wherever necessary.		

As per our report of even date attached.

For NGST & Associates
Chartered Accountants
Firm Regn. No. 135159W

Bhupendra
Bhupendra S. Gandhi
Partner
Membership No. 122296



For and on behalf of the Board of Directors

Sadashiv K Shetty
SADASHIV K SHETTY Chairman
(DIN : 00038681)

Raghuram Shetty
RAGHURAM SHETTY Managing Director
(DIN : 00038703)

Sunil Shedge
SUNIL SHEDGE Chief Financial Officer

Alesha Hakim Khan
ALESHA HAKIM KHAN Company Secretary
(Membership No. A55659)



Place : Mumbai
Date : May 25, 2024

Place : Mumbai
Date : May 25, 2024

DAIKAFFIL CHEMICALS INDIA LIMITED

Statement of Changes in Equity for the Year Ended March 31, 2024
(a) Equity share capital

Particulars	No. of Shares	(₹ in Lakhs)
Balance As at 1-April - 2023	60,00,000	600.00
Changes in Equity Share Capital During the year	-	-
Balance As at March 31, 2024	60,00,000	600.00
Changes in Equity Share Capital During the year	-	-
Balance As at March 31, 2024	60,00,000	600.00

(b) Other Equity

(₹ in Lakhs)

Particulars	General Reserve	Securities Premium	Retained Earnings	Revaluation Reserve on PPE	Total Other Equity
Balance As at April 01, 2022	202.00	34.49	620.81	-	857.29
Profit/(Loss) For the Year	-	-	-213.36	-	-213.36
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	-	-	-213.36	-	-213.36
Deferred Tax (Other Comprehensive Income)	-	-	-	-	-
Revaluation of PPE	-	-	-	-	-
Balance As at April 01, 2023	202.00	34.49	407.45	-	643.94
Profit/(Loss) For the Year	-	-	-190.22	-	-190.22
Other Comprehensive Income	-	-	-	-	-
Revaluation of PPE	-	-	-	-	-
Total Comprehensive Income	-	-	-190.22	-	-190.22
Transfer to Retained Earning on Account of Depreciation	-	-	-	-	-
Deferred Tax (Other Comprehensive Income)	-	-	-	-	-
Balance As at March 31, 2024	202.00	34.49	217.23	-	453.72

As per our report of even date attached.
For NGST & Associates
Chartered Accountants
Firm Regn. No. 135159W

For and on behalf of the Board of Directors

Bhupendra
Bhupendra S. Gandhi
Partner
Membership No. 122296



Sadashiv K Shetty
SADASHIV K SHETTY

Chairman
(DIN : 00038681)

Raghuram Shetty
RAGHURAM SHETTY

Managing Director
(DIN : 00038703)

Sunil Shedge
SUNIL SHEDGE

Chief Financial Officer

Alesha Hakim Khan
ALESHA HAKIM KHAN

Alesha
Company Secretary
(Membership No. A55659)

Place : Mumbai
Date : May 25, 2024

Place : Mumbai
Date : May 25, 2024



Notes to the Financial Statements for the year ended March 31, 2024

1. Corporate Information

These financial statements of "Daikaffil Chemicals India Limited" ("the Company") are prepared on going concern assumptions for the year ended March 31, 2024.

The Company is a domestic public limited company incorporated and domiciled in India with registered office situated at E-4, M.I.D.C. Tarapur, Boisar Dist. Thane Boisar, Maharashtra- 401506 and is listed on the Bombay Stock Exchange (BSE). The Company is engaged in manufacturing and trading of organic chemicals and intermediaries and trading of chemicals.

2. Material Accounting Policies

i) Statement of Compliance

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

ii) Basis of Preparation

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

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

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

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

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.



iii) Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

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

Leasehold land is stated at historical value and not amortized due to long renewable lease.



iv) Impairment of non-financial assets

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

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

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

vi) Inventories

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

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



vii) Revenue Recognition

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

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

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

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

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

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

viii) Investments

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

ix) Leases

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

As a lessee

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

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

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

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



less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability.

x) Employees Benefits

Post Employment Benefit

(i) Defined Contribution Plan

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

(ii) Defined Benefit Plan

The liabilities towards defined benefit schemes are provided on actual basis as the Company had planned temporary shutdown of plant in year 2021 and accordingly the Company has recognised full liability towards gratuity in books as on balance sheet date.

(iii) Short Term Employee Benefits

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

(iv) Other Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at actual liability of the defined benefit obligation at the balance sheet date.

xi) Statement of Cash Flows

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

xiii) Income Taxes

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

(i) Current Tax

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

(ii) Deferred Tax

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



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

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

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

(iii) Current and Deferred Tax Expense for the Year

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

xiv) Segment Reporting

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

xv) 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.

xvi) Dividend

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

xvii) Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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



Contingent Liabilities and Assets

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

The treatment in respect of disputed obligations are as under:

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

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

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

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

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

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key estimates, assumptions and judgements

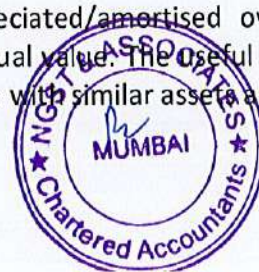
In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements.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

(i) Income taxes

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

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

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking



into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(iii) Contingent Liabilities

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

(iv) Allowance for impairment of trade receivables

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

(v) Provisions

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



DAIKAFFIL CHEMICALS INDIA LTD.
Notes to the financial statements for the year ended March 31, 2024.
PROPERTY, PLANT AND EQUIPMENT

3

(₹ in Lakhs)

Particulars / Assets	Tangible Assets							Right-of-use Assets				
	Factory Building	Other Building	Plant and Machinery	Furniture, Fixtures and Electrical Installation	Laboratory Equipment	Office Equipment	Computers	Vehicles	Total	Land	Building	Total
GROSS BLOCK												
As at 1st April, 2022	90.67	2.13	104.39	1.09	0.74	1.27	0.92	13.34	214.55	39.00	-	39.00
Additions	-	-	1.25	-	-	-	-	-	1.25	-	-	-
Revaluation Adjustments #	-	-	-	-	-	-	-	-	-	-	-	-
Deduction/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2023	90.67	2.13	105.64	1.09	0.74	1.27	0.92	13.34	215.80	39.00	-	39.00
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Adjustments #	-	-	-	-	-	-	-	-	-	-	-	-
Deletion/Adjustments	-	-	-	-	-	-	-	11.57	11.57	-	-	-
As at 31st March, 2024	90.67	2.13	105.64	1.09	0.74	1.27	0.92	1.77	204.23	39.00	-	39.00
ACCUMULATED DEPRECIATION												
As at 1st April, 2022	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	17.47	0.14	24.46	0.57	0.39	-	0.71	10.36	54.10	-	-	-
Deduction/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2023	17.47	0.14	24.46	0.57	0.39	-	0.71	10.36	54.10	-	-	-
Charge for the year	14.10	0.13	20.04	0.27	0.18	-	0.16	0.31	35.19	-	-	-
Deduction/Adjustments	-	-	-	-	-	-	-	8.98	8.98	-	-	-
As at 31st March, 2024	31.57	0.27	44.49	0.84	0.57	-	0.87	1.69	80.31	-	-	-
Net Block												
As at 31st March, 2023	73.20	1.99	81.18	0.52	0.35	1.27	0.21	0.08	161.70	39.00	-	39.00
As at 31st March, 2024	59.10	1.86	61.15	0.25	0.17	1.27	0.05	0.08	123.91	39.00	-	39.00

Note: The aggregate depreciation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Company has changed accounting policy to account PPE under cost model as to align with the accounting policy and management estimates followed by the ultimate holding Company "Heramba Industries Limited". Accordingly effects are incorporated in financial results and financial position for the year and quarter ended March 31, 2024. Revaluation reserves of Rs. 992.34 lakhs is removed as on 1st April 2022 and PPE are reinstated at cost less accumulated. The Depreciation and amortisation of PPF and RoU assets is decreased from 53.23 lakhs in FY 2023-24 and Rs. 67.36 lakhs in FY 2022-23. Impact of decrease pertaining to prior to April 1, 2023 has been effected in retained earning o/s as on 01.04.2022.



3.1 CAPITAL WORK IN PROGRESS

Current Year FY(2023-24)

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

Previous Year FY(2022-23)

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

Ageing of Capital Work in Progress

Particulars	Amount of CWIP for a period of			(₹ in Lakhs)
	Less than 1 year	1-2 years	2-3 years	
Current Year FY(2023-24)				
Capital Work in Progress	-	-	4.61	4.61
Total	-	-	4.61	4.61
Previous Year FY(2022-23)				
Capital Work in Progress	-	4.05	0.56	4.61
Total	-	4.05	0.56	4.61



DAIKAFIL CHEMICALS INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2024

Note 4 : Investments		(₹ in Lakhs)		
Particulars	As at	As at	As at	
	March 31, 2024	March 31, 2023	April 1, 2022	
Investments in Equity Instruments - Unquoted (At Amortised Cost) 13,193 (P.Y.13,193) shares of face value Rs.100/- each of Tarapur Environment Protection Society.	18.72	18.72	18.72	
Total	18.72	18.72	18.72	

Note 5 : Loans		(₹ in Lakhs)		
Particulars	As at	As at	As at	
	March 31, 2024	March 31, 2023	April 1, 2022	
Unsecured, Considered Good unless otherwise stated				
Loans to Employees (at amortised cost)	0.41	0.41	1.77	
Total	0.41	0.41	1.77	

Note 6 : Others		(₹ in Lakhs)		
Particulars	As at	As at	As at	
	March 31, 2024	March 31, 2023	April 1, 2022	
Unsecured, Considered Good unless otherwise stated				
Security Deposits *	18.40	18.69	14.98	
Total	18.40	18.69	14.98	

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

Note 7 : Non Current Tax Assets (net)		(₹ in Lakhs)		
Particulars	As at	As at	As at	
	March 31, 2024	March 31, 2023	April 1, 2022	
Advance Tax (Net of provisions)	5.76	10.00	10.81	
Total	5.76	10.00	10.81	

Note 8 : Inventories		(₹ in Lakhs)		
Particulars	As at	As at	As at	
	March 31, 2024	March 31, 2023	April 1, 2022	
Raw Materials	93.29	93.29	139.04	
Work-in- Progress	49.60	49.60	49.60	
Finished Goods	4.48	4.48	4.48	
Stock-in-Trade	0.34	0.34	0.34	
Stores and Spares.	4.96	4.96	4.96	
Packing Materials	0.44	0.44	0.44	
Less: Provision for non moving inventories	-36.42	-36.42	-36.42	
Total	116.69	116.69	162.44	

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

Note 9 : Trade Receivables		(₹ in Lakhs)		
Particulars	As at	As at	As at	
	March 31, 2024	March 31, 2023	April 1, 2022	
From Others				
Unsecured, Considered good	-	-	14.22	
Unsecured, Considered Doubtful	3.21	3.21	3.21	
	3.21	3.21	17.43	
Less: Impairment for doubtful receivables	-3.21	-3.21	-3.21	
Total	-	-	14.22	

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

Ageing of Trade Receivables		(₹ in Lakhs)					
Particulars	Unbilled	Not Due	Outstanding for following periods from due the date of payment				Total
			Less than 6 months	Less than 1 year	Less than 1-2 years	2-3 years	
Current Year							
i) Undisputed Trade receivable -	-	-	-	-	-	-	-
ii) Undisputed Trade receivable - Credit Impaired	-	-	-	-	-	3.21	3.21
TOTAL	-	-	-	-	-	3.21	3.21
Previous Year							
i) Undisputed Trade receivable -	-	-	-	-	-	-	-
ii) Undisputed Trade receivable -	-	-	-	-	-	3.21	3.21
TOTAL	-	-	-	-	-	3.21	3.21

Note 10 : Cash and Cash Equivalents		(₹ in Lakhs)		
Particulars	As at	As at	As at	
	March 31, 2024	March 31, 2023	April 1, 2022	
Cash on hand	0.11	0.38	0.37	
Balances with Banks in current accounts	751.80	99.80	856.16	
Total	751.91	100.17	856.54	

Note 11 : Others bank balances		(₹ in Lakhs)		
Particulars	As at	As at	As at	
	March 31, 2024	March 31, 2023	April 1, 2022	
Other Bank Deposits for original maturity more than 3 months upto 12 months (refer note 11.1)	19.50	23.74	21.55	
Earmarked bank deposits (refer note 11.2)	42.54	22.54	40.85	
Unclaimed Dividend (refer note 11.3)	6.11	8.10	9.73	
Total	68.15	54.38	72.13	

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

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

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



(₹ in Lakhs)			
Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
Unsecured, Considered Good unless otherwise stated			
Loans to Employees (at amortised cost)	-	1.68	1.68
Capital Advances	-	-	-
Total	-	1.68	1.68

(₹ in Lakhs)			
Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
Unsecured and Considered Good			
Other Bank Deposits for original maturity more than 12 months	-	720.00	1.71
Interest Accrued on Bank Deposits	3.27	1.33	0.09
Others Receivables	-	-	-
Total	3.27	721.33	1.80

(₹ in Lakhs)			
Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
Unsecured and Considered Good			
Prepaid Expenses	0.96	1.80	4.27
Balances with Government Authorities	24.08	18.58	76.41
Total	25.04	20.38	80.67

(₹ in Lakhs)			
Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
Authorised			
65,00,000 (P.Y. 65,00,000) Equity Shares of Rs.10/- Each.	650.00	650.00	650.00
Total	650.00	650.00	650.00
Issued, subscribed and Paid up :			
60,00,000 (P.Y. 60,00,000) Equity Shares of Rs.10/- Each.	600.00	600.00	600.00
Total	600.00	600.00	600.00

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

Particulars	No. of Shares	(₹ in Lakhs)	(₹ in Lakhs)
Balance at the beginning of the current reporting period :- As at April 1, 2022	60,00,000	600.00	600.00
Additions/(Reduction)	-	-	-
As at March 31, 2022	60,00,000	600.00	600.00
Balance at the beginning of the current reporting period :- As at April 1, 2023	60,00,000	600.00	600.00
Additions/(Reduction)	-	-	-
As at March 31, 2024	60,00,000	600.00	600.00

15.2 Details of Shares held by Shareholders holding more than 5% of the Aggregate Shares in the Company

Name of the Shareholders	As at		As at		As at	
	March 31, 2024		March 31, 2023		April 1, 2022	
	No. of Shares	Shares as % of Total No.	No. of Shares	Shares as % of Total No. of Shares	No. of Shares	Shares as % of Total No. of Shares
Amit Patel	-	0.00%	10,72,965	17.88%	10,72,965	17.88%
Caffil Private Ltd.,	-	0.00%	5,03,300	8.39%	5,03,300	8.39%
C.C.M (Luxembourg) S.A Liquidator of H.G.E Chemical Company	-	0.00%	7,49,700	12.50%	7,49,700	12.50%
MIKUSU INDIA PRIVATE LIMITED	29,08,719	48.48%	-	-	-	-

15.3 Rights, preferences and restrictions attached to Shares :

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

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

15.4 Details regarding shareholding of Promoters as at March 31, 2024

Shares held by promoters	At the beginning of the year		At the end of the year		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Amit Jayant Patel	10,72,965	17.88%	-	0.00%	-17.88%
Caffil Private Ltd.,	5,03,300	8.39%	-	0.00%	-8.39%
Aditya Amit Patel	1,04,499	1.74%	-	0.00%	-1.74%
Nitin Prabhudas Bhagat	50,000	0.83%	-	0.00%	-0.83%
Aruna Vinodchandra Merchant	46,645	0.78%	-	0.00%	-0.78%
Amit Jayant Patel (HUF)	45,310	0.76%	-	0.00%	-0.76%
Mita Bhagat	25,000	0.42%	-	0.00%	-0.42%
Dhwani Aditya Patel	15,800	0.26%	-	0.00%	-0.26%
Aditya Amit Patel (HUF)	7,500	0.13%	-	0.00%	-0.13%
Surbhi Kishore Tanna	250	0.00%	250	0.00%	0.00%
MIKUSU INDIA PRIVATE LIMITED	-	0.00%	29,08,719	48.48%	48.48%

(₹ in Lakhs)			
Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
Share Premium	34.49	34.49	34.49
General Reserve	202.00	202.00	202.00
Retained Earnings (Including Other Comprehensive Income)	217.23	407.45	620.81
Revaluation Reserve (Ind-AS)	-	-	-
Total	453.72	643.94	857.29



16.1 Particulars relating to Other Equity

(₹ In Lakhs)

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
Securities Premium (Refer Note No.16.2)			
Balance at the beginning of the year	34.49	34.49	34.49
Addition/(Deduction) during the year	-	-	-
Balance at the end of the year	34.49	34.49	34.49
General Reserve (Refer Note No.16.3)			
Balance at the beginning of the year	202.00	202.00	202.00
Addition/(Deduction) during the year	-	-	-
Balance at the end of the year	202.00	202.00	202.00
Retained Earnings (Including Other Comprehensive Income) (Refer Note No. 16.4)			
Balance at the beginning of the year	407.45	620.81	879.48
Add : Profit after tax for the year	-190.22	-213.36	-250.35
Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of income	-	-	-7.92
Add :One time impact on account of reinstatement of cost model instead revaluation model	-	-	-2.61
Add : Deferred Tax (Other Comprehensive Income)	-	-	2.20
Balance at the end of the year	217.23	407.45	620.81
Revaluation Reserve (Refer Note No.16.5)			
Balance at the beginning of the year	-	-	-
Addition/(Deduction) during the year	-	-	-
Balance at the end of the year	-	-	-

16.2 Securities Premium is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

16.3 The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of Profit and Loss.

16.4 The retained earnings comprises of surplus which is used from time to time to transfer profits by appropriations. Retained earnings is free reserve of the Company and is used for the purposes like issuing bonus shares, buy back of shares and other purposes (like declaring Dividend etc.) as per the approval of Board of Directors. It includes the re-measurement of defined benefit plan as per actuarial valuations which will not be re-classified to

16.5 The Revaluation Reserve represents cumulative increase or decrease in the carrying value of a company's property plant and equipments to account for any major changes in their fair market value.

Note 17 : Non Current Provisions

(₹ In Lakhs)

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
Employees benefits :-			
-Gratuity Funded	-	-	6.46
-Compensated Absences	-	-	0.44
Total	-	-	6.90

Note 18 : Deferred Tax Liabilities / (Assets) - Net

(₹ In Lakhs)

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
Deferred Tax Liabilities (Refer Note 32)	13.12	9.65	3.46
Deferred Tax Assets (Refer Note 32)	-15.51	-12.98	-12.66
Net Deferred tax liability /(assets)	-2.40	-3.33	-9.20

Note 19 : Trade payables

(₹ In Lakhs)

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
(A) Due to micro enterprises and small enterprises*	-	-	-
(B) Due to other than micro enterprises and small enterprises	2.00	3.14	12.04
Total	2.00	3.14	12.04

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

Ageing of Trade Payables

(₹ In Lakhs)

Particulars	Outstanding for following periods from due the date of payment						Total
	Unbilled	Not due	Less than 1 year	Less than 1-2 years	2-3 years	More than 3 years	
Current Year							
i) MSME *	-	-	-	-	-	-	-
ii) others	-	1.73	-	0.27	-	-	2.00
	-	1.73	-	0.27	-	-	2.00
Previous Year							
i) MSME *	-	-	-	-	-	-	-
ii) others	-	2.79	0.35	-	-	-	3.14
	-	2.79	0.35	-	-	-	3.14

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

(₹ In Lakhs)

Trade payables -Total outstanding dues of Micro & Small enterprises	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-	-
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-	-
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-
(f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	-	-	-
(g) Further interest remaining due and payable for earlier years	4.21	4.21	-

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



Note 20 : Other Financial Liabilities**(₹ in Lakhs)**

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
Creditors for Capital expenditure	-	-	-
Liability for Expenses	2.39	3.06	4.06
Liability Towards Employees	85.14	2.48	6.30
Unpaid Dividend #	6.11	8.10	9.73
Total	93.64	13.64	20.09

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

Note 21 : Other Current liabilities**(₹ in Lakhs)**

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
Statutory Payments	11.45	1.10	1.83
Total	11.45	1.10	1.83

Note 22 : Provisions**(₹ in Lakhs)**

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
Provision for Employee benefits (Refer Note 41)			
Gratuity Provison	5.38	7.76	3.28
Provision for compensated absences	12.09	1.52	1.69
Total	17.47	9.28	4.97



Note 23: Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Sale of Products :-		
- Manufactured Goods	-	-
- Trading Goods	-	63.71
b) Other Operating Revenue		
- Export Incentive	-	-
Total	-	63.71

Note 24 : Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest :		
- On Bank Deposits	57.65	38.91
- Others	3.15	1.69
Exchange Gain (Net)	-	0.11
Miscellaneous Income	-	0.00
Sundry Balances Written back	-	0.28
Profit on Sale of Assets	10.31	-
Rent Concession	-	-
Total	71.11	40.99

Note 25 : Cost of materials consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials Consumed :		
Opening stock	93.29	139.04
Add : Purchase	-	4.63
	93.29	143.66
Less : cost of Traded Goods	-	4.63
	93.29	139.03
Less : Closing Stock -including stock in transit	93.29	93.29
Total	-	45.75

Note 26 : Purchase of Stock-in-trade

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of Stock-in-trade	-	4.63
Cost of Traded Goods	-	-
Total	-	4.63

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Finished Goods		
Opening Stock	4.48	4.48
Less : Closing Stock	4.48	4.48
	-	-
Work- in- Progress		
Opening Stock	49.60	49.60
Less : Closing Stock	49.60	49.60
	-	-
Stock-in-Trade		
Opening Stock	0.34	0.34
Less : Closing Stock	0.34	0.34
	-	-
Total	-	-

Note 28 : Employee Benefit expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, Wages and Bonus	133.22	102.27
Contribution to Provident, Gratuity and other Funds	28.61	16.78
Staff Welfare Expenses	0.89	1.58
Total	162.72	120.63

Note 29 : Finance Cost

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Unwinding of lease obligation	-	-
Bank Charges & Commission	0.47	0.05
Total	0.47	0.05

Note 30 : Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on PPE	35.19	54.10
Depreciation on Right-of-use Assets	-	-
Total	35.19	54.10



Note 31 : Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Manufacturing Expenses		
Consumption of stores and spare parts	-	-
Provision for non moving inventories (Refer Note No. 8.1)	-	-
Power and fuel	17.70	16.53
Water consumption	0.82	1.20
Water treatment	-	1.03
Repairs and maintenance - Buildings	-	-
Repairs and maintenance - Machinery	-	0.41
Electrical Maintenance.	-	0.07
Laboratory Expenses	-	-
	18.53	19.24
Selling, Distribution and Administration expenses		
Consumption of packing materials	-	-
Repairs and maintenance - Others	0.59	0.45
Insurance	2.00	2.78
Rates and taxes	2.75	2.96
Office Rent (Service charges)	1.60	9.00
Communication	1.16	2.12
Travelling and conveyance	0.55	1.06
Printing and stationery	0.34	0.48
Freight and forwarding	-	0.09
Commission	-	-
Business promotion / Sales and Marketing expenses	1.48	4.52
Professional / Legal Expenses	8.92	16.37
Payments to auditors	-	-
- Audit Fees/Limited Review Fees	2.70	2.70
- Reimbursement of expenses	-	-
Vehicle Expenses	0.48	1.39
Membership & Filing Fees	4.31	4.28
Export Freight and forward	-	0.07
Director Sitting fees	1.68	3.35
Security Charges	9.62	9.17
Loss on Sales of Assets	-	-
Miscellaneous expense	5.32	7.01
TOTAL (B)	43.49	67.80
TOTAL (A + B)	62.01	87.04



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

A. Tax Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Tax in relation to :		
Current Year	-	-
Earlier Year	-	-
Deferred Tax :		
In respect of current year	0.94	5.87
Total Income Tax Expense recognized in the current year	0.94	5.87

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before Tax	-189.28	-207.49
Corporate Tax rate as per Income Tax Act, 1961	27.82%	27.82%
Tax on Accounting Profit	Nil	Nil
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income :		
Difference due to other than temporary differences	-	-
Others adjustment	-	-
Tax Adjustment of earlier year	-	-
Total Income Tax Expense recognized in statement of Profit and loss	-	-

Deferred Tax

2023-24

Components and Reconciliation of Deferred Tax (Assets)/Liabilities

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Deferred Tax liability on account of :				
Depreciation on Property, Plant and Equipment	9.65	3.47	-	13.12
Leasehold land	-	-	-	-
Deferred Tax asset on account of :				
Provision for Employee benefit	-2.85	-2.53	-	-5.39
Provision for non moving inventories	-10.13	-	-	-10.13
Others	-	-	-	-
Total	-3.33	0.93	-	-2.40

2022-23

Components and Reconciliation of Deferred Tax (Assets)/Liabilities

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Deferred Tax liability on account of :				
Depreciation on Property, Plant and Equipment	3.46	6.19	-	9.65
Leasehold land	-	-	-	-
Deferred Tax asset on account of :				
Provision for Employee benefit	-2.53	-0.32	-	-2.85
Provision for non moving inventories	-10	-	-	-10.13
Others	-	-	-	-
Total	-9.20	5.87	-	-3.33



Notes to the Financial Statements for the year ended March 31, 2024.

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

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
(A) Profit attributable to Equity Shareholders (₹ in Lakhs)	(190.22)	(213.36)
(B) Weighted Average Number of Equity Shares	60,00,000	60,00,000
(C) Face Value of each Equity Share (₹)	10.00	10.00
(D) Basic & Diluted earning per Share (₹)	(3.17)	(3.56)

Note 34 : Segment Reporting as per Ind AS 108

The Company's operations falls under single segment namely "Manufacturing of organic chemicals and intermediaries ", taking into account the risks and returns, the organization structure and the internal reporting systems.

Segment revenue from "Manufacturing of organic chemicals and intermediaries " represents revenue generated from external customers which is attributable to the Company's country of domicile i.e. India and external customers outside India as under:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from:		
Outside India	-	-
In India	-	63.71

Note 35 : Related Party Disclosures

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

Name of Related Parties	Nature of Relationship
M/s Amichem	Enterprise over which KMP is having Significant Influence till 12/04/2024
Mr. Amit Patel	Director till 12/04/2024
Mr. Aditya Patel	Director till 27/03/2024
Mr. Sudhir Patel	Independent Director till 07/11/2023
Mrs. Maithili Siswawala	Independent Director till 27/11/2023
Mr. Sunil Merchant	Independent Director till 27/03/2024
Mr. Sunil Shedge	Chief Financial Officer
Smt. Seemba Ansari	Company Secretary till 15/08/2023
Mr. Sadashiv K Shetty	Director from 26/03/2024
Mr. Raghuram K Shetty	Director from 26/03/2024
Mr. Omprakash Singh	Director from 26/03/2024
Mr. Bhagavati K Donga	Director from 26/03/2024
Smt. Alesha H. Khan	Director from 01/11/2023

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

Nature of Transaction	(₹ in Lakhs)		
	Key Management Personnel (KMP)	Enterprise over which KMP is having Significant Influence	Total
Service charges for use of premises	-	1.60	1.60
	-	(9.00)	(9.00)
M/s Amichem	-	1.60	1.60
	-	(9.00)	(9.00)
Remuneration Paid	4.62	-	4.62
	(11.10)	-	(11.10)
Mr. Aditya Patel	4.62	-	4.62
	(11.10)	-	(11.10)
Sitting fees paid to directors	1.68	-	1.68
	(3.35)	-	(3.35)
Mr. Amit Patel	0.30	-	0.30
	(0.60)	-	(0.60)
Mr. Sudhir Patel	0.55	-	0.55
	(1.10)	-	(1.10)
Mr. Sunil Merchant	0.55	-	0.55
	(1.10)	-	(1.10)
Mrs. Maithili Siswawala	0.28	-	0.28
	(0.55)	-	(0.55)

Amounts in brackets indicate previous year figures.



Note 36 : Contingent Liabilities / Pending Litigation

(₹ in Lakhs)

	Particulars	As at March 31, 2024	As at March 31, 2023
1	Outstanding Bank Guarantee (B.G. of Rs. 18.50 Lakh is Expired for more than year)	38.50	18.50
2	Disputed demand with MPCB/NGT case pending at Supreme Court*	18.00	18.00
3	Disputed demand with MPCB/NGT case pending at Supreme Court*	8.67	8.67

*(30% Deposit placed with Supreme Court against cases pending)

Note 37 : Commitments

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



38. Employee Benefits

The Company has classified various employee benefits as under:

A. Defined Contribution Plans

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

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

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contribution to Provident Fund	14.32	4.76
Total	14.32	4.76

B. Defined Benefit Plans

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

i) Gratuity

The Company operates a gratuity plan covering qualifying employees. Under the gratuity plan, the eligible employees are entitled to post retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 60, subject to a payment ceiling of Rs.20 lakhs. The benefit vests upon completion of five years of continuous service as per "The Payment of Gratuity Act" and once vested it is payable to the employee on retirement or on termination of employment. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

ii) Other Defined Benefit plans (Compensated Absences)

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

The provision towards Compensated Absences is as under:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current liability	-	-
Current liability/(Asset)	12.09	1.52
Total	12.09	1.52

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

Interest Risk :

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

Salary Risk :

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

Investment Risk :

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

Mortality Risk :

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

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

a. Gratuity (Partly funded through annual payment to Life insurance corporation of India and balance provided in books)

The Company has recognised full unfunded gratuity obligation at balance sheet date due to temporary shutdown and the retrenchment of factory workers. With the withdrawal of closure and reinstatement of workers, the Company has decided not to conduct an actuarial valuation at this stage. The Company will retain the excess liability on its balance sheet until normal factory operations regularise

b. Compensated absences encashment (Partly funded through annual payment to Life insurance corporation of India and balance provided in books)



39. Disclosures on financial instruments

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

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

(a) Financial assets and liabilities:

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2024 and March 31, 2023.

I. Financial assets:		(₹ in Lakhs)	
Particulars	As at March 31, 2024	As at March 31, 2023	
Measured at amortised cost			
Cash and cash equivalents	751.91	100.17	
Bank balance other than cash and cash equivalent	68.15	54.38	
Investments	18.72	18.72	
Trade receivables	-	-	
Loans	0.41	2.09	
Other financial assets	21.67	740.02	
Total	860.86	915.39	

II. Financial liabilities:		(₹ in Lakhs)	
Particulars	As at March 31, 2024	As at March 31, 2023	
Measured at amortised cost			
Trade payables	2.00	3.14	
Lease Obligation	-	-	
Other financial liabilities	93.64	13.64	
Total	95.63	16.78	

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

(b) Capital Management

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

(c) Financial risk management:

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

(a) Market risk:

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

(I) Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amount of company's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follows:

Particulars	Foreign Currency	As at March 31, 2024		As at March 31, 2023	
		Amount in Foreign currency	Amount in Rs.	Amount in Foreign currency	Amount in Rs.
Financial Assets	EURO	-	-	-	-
	USD	-	-	-	-
Financial Liabilities	EURO	-	-	-	-
	USD	-	-	-	-



Foreign Currency Sensitivity:

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

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

Foreign Currency sensitivity at year end	(₹ in Lakhs)	
	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Assets:		
Weakening of INR by 5%	-	-
Strengthening of INR by 5%	0.00	0.00
Liabilities:		
Weakening of INR by 5%	-	-
Strengthening of INR by 5%	-	0.00

Forward foreign exchange contracts

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

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

(II) Interest rate risk:

Interest rate risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of change in market interest rate . The company does not have significant floating interest rate borrowings during the year ended March 31,2022 and March 31,2021. Hence the Company is not exposed to significant interest rate risk as at the respective floating dates.

(b) Credit risk:

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

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

(c) Liquidity risk:

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

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

Particulars	(₹ in Lakhs)			
	Less than 1 year	1 Years to 3 Years	3 Years to 5 Years	5 Years and above
As at March 31, 2024				
Trade and other payables	2.00	-	-	-
Lease Obligation	-	-	-	-
Other Financial Liabilities	93.64	-	-	-
Total	95.63	-	-	-
As at March 31, 2023				
Trade and other payables	3.14	-	-	-
Lease Obligation	-	-	-	-
Other Financial Liabilities	13.64	-	-	-
Total	16.78	-	-	-



DAIKAFFIL CHEMICALS INDIA LIMITED

Notes to the Financial Statements for the year ended March 31, 2024

Note - 40: ADDITIONAL REGULATORY INFORMATION AS PER SCHEDULE III OF COMPANIES ACT 2013

1. Ratios

	Numerator	Denominator	2023-2024	2022-2023	% Variance	Reason for Variance
Current Ratio (Times)	Current Assets	Current Liabilities	7.75	37.35	-79%	Current Ratio is improved is on account of utilisation of surplus funds for payment of trade payables and other financial liabilities.
Debt Equity Ratio (Times)	Total Debt (i.e. Non-Current Borrowings + Current Borrowings)	Total Equity	-	-	-	
Debt Service Coverage Ratio (Times)	Profit after Tax + Finance Cost in P&L + Depreciation	Finance Cost (P&L + Capitalised) + Lease & Principal Repayments (Long term)	-326.76	-0.00	246285683%	Debt Service Coverage ratio is not relevant for the the Company. As there is no borrowings in current year and previous year. However the company has incurred opeational losses due to reduction of business and accordingly the ratio is negative.
Return on Equity (%)	Profit after Tax	Average Total Equity	-16.56%	0.00%	10071426%	Due to incurring of business losses during the year, the ratio is significantly changed.
Inventory Turnover (Times)	Sales (Net of Discounts)	Average Inventory	-	0.00	-100%	
Trade Receivables Turnover (Times)	Sales (Net of Discounts)	Average Trade Receivables	-	0.00	-100%	Trade Receivable ratio is improved due to collection of major debtors on cut off of balance sheet.
Trade Payables Turnover (Times)	Purchase of Raw Material + Purchase of Stock-in-Trade + Other Expenses	Average Trade Payables	-	0.00	-100%	Trade payable ratio is Imprved on account of payment of trade payables from the surplus funds available with the Company as on balance sheet date
Net Capital Turnover (Times)	Sales (Net of Discounts)	Average Working Capital (i.e. Current Assets - Current Liabilities)	-	-0.00	-100%	Investment is as per stipulation and there is no income earning.
Net Profit Ratio (%)	Profit after Tax	Revenue from Operation	0.00%	-334.87%	-100%	Decrese is on account of incurring of operational losses during the year.
Return on Capital Employed (%)	Profit before Tax + Finance Cost	Average of (Total Equity + Total Debt + Deferred Tax Liabilities)	0.00%	0.00%	7%	Decrese is on account of incurring of operational losses during the year.
Return on Investment (%)	Closing Value of Investment + Dividend during the year - (Opening Value of Investment + Additional Investment during the year)	Opening Value of Investment + (Additional Investment during the year - Dividend during the year)/2	0.00%	-100.00%		Investment is as per stipulation and there is no income earning.



41. Due to manufacturing orders drying up and as a result, the costs becoming higher than the revenue, the company has incurred losses. To restrict any further erosion of capital due to the losses, the management has undertaken certain cost saving measures and discontinued certain services. The management decided to undertake a planned shutdown of the factory in 2021-22 so that the fixed cost of plant is saved. The manufacturing operations has been shut down from end of November, 2021 and certain workers/labourers were retrenched. During the previous quarter, the Management had filed an application with labour court withdrawing of closure of plant operations and reinstating workers along with payment of their back wages and additional claims if any. The Management of the Company have entered in Memorandum of Settlement on 22nd February 2024 with Workmen employed represented by Shramik Utkarsh Sabha towards full & final settlement of their dues during closure of factory. The Company has paid settlement amount as agreed and adequate provisions are made for outstanding liabilities in terms of said agreement. The plant operations will resume shortly in consultation with the Acquirer. The company's liquidity position is very healthy and its liquid assets are far higher than its liabilities. In light of above, the company does not envisage any threat to going concern status of the company and hence, the financial results have

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

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

44. Approval of Financials Statements

The Financial Statements were approved for issue by the Board of Directors on May 25, 2024.

As per our report of even date attached.

For NGST & Associates
Chartered Accountants
Firm Regn. No. 135159W



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

For and on behalf of the Board of Directors



SADASHIV K SHETTY
SADASHIV K SHETTY

Chairman
(DIN : 00038681)

RAGHURAM SHETTY
RAGHURAM SHETTY

Managing Director
(DIN : 00038703)

SUNIL SHEDGE
SUNIL SHEDGE

Chief Financial Officer

ALESHA HAKIM KHAN
ALESHA HAKIM KHAN

Company Secretary
(Membership No. A55659)

Place : Mumbai
Date : May 25, 2024

Place : Mumbai
Date : May 25, 2024