A B D AND CO LLP
CHARTERED ACCOUNTANTS

Head Office :
511, Highway Commercial Center,
Off I.B.Patel Road, Goregaon (E),
Mumbai - 400063.

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
CHEMOLUTION CHEMICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of CHEMOLUTIONS CHEMICALS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and 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 "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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Management's Responsibility for the Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

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(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The Company has no Manager or Managing Director and has not paid any remuneration to its directors. Accordingly, comment on compliance of section 197 of the Act relating to managerial remuneration is not applicable.

(h) With respect to the other matters to be included in the Auditor's 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 litigation on its financial position in the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts during the year ended March 31, 2023, for which there were any material foreseeable losses.

iii. There are no amounts due to be credited to Investor Education & Protection Fund in accordance with the provisions of Section 125 of the Companies Act, 2013.

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;

(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 made by the management and as mentioned under sub-clauses (iv)(a) and (iv)(b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year. Further, the Board of Directors has not proposed any final dividend for the year.

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vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For A B D AND CO LLP
Chartered Accountants
Firm Registration No.: W100145

Devdatta Mainkar
Partner
Membership No.109795
Mumbai, May 17, 2023
UDIN: 23109795BGXISO6261

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2023.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020:

i. **PROPERTY, PLANT AND EQUIPMENT**

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-ot-use assets.

(B)The company is not having any intangible assets. Accordingly, the reporting under clause 3(i)(a)(B) of the Order is not applicable.

b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

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 immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company.

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

e) According to the information and explanations provided to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. **INVENTORY**

a) The inventory has been physically verified by the management during the year. In our opinion and based on policy adopted by the management, the coverage and procedure of such verification is appropriate. The discrepancies of 10% or more in the aggregate for each class of inventory noticed on verification between the physical stock and the book records have been properly dealt with in the books of account.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks and financial institutions on the basis of security of current assets. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable.

iii. **INVESTMENTS, GUARANTEE, SECURITY, LOANS AND ADVANCES**

(a) In our opinion and according to the information and explanations given to us and the records examined by us, the Company has not made any investment, provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to subsidiaries, joint ventures, associates or other parties during the year and hence, reporting under clause 3(iii)(a) and clauses 3(iii)(c) to (f) are not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us and the records examined by us, the Company has not made any investments or provided loans, guarantee or security to any other entity and hence, reporting under clause 3(iii)(b) is not applicable.

iv. **COMPLIANCE WITH SECTION 185 AND 186 OF THE COMPANIES ACT, 2013**

In our opinion and according to the information and explanations given to us and the records examined by us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and section 186 of the Act. Therefore, the provisions of clause 3(iv) of the said Order are not applicable to the Company.

v. **DEPOSITS ACCEPTED**

According to the information and explanation given to us and records examined by us, the Company has not accepted deposits during the year ended March 31, 2023 and there are no deposits outstanding as at the beginning of the year. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

vi. **COST RECORDS**

As informed to us, the maintenance of Cost Records is not applicable in terms of rules provided under Section 148 of the Act, in respect of the activities carried on by the Company. Accordingly, reporting under clause (vi) is not applicable to the Company.

vii. **STATUTORY DUES**

(a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Income Tax, Goods and Service Tax, Sales Tax, Service Tax, duty of customs, duty of excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities, wherever applicable. There are no undisputed dues outstanding as at March 31, 2023, in respect of Income Tax, Goods and Service Tax, Sales Tax, Service Tax, duty of customs, duty of excise, Value Added Tax, Cess and any other statutory dues, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Goods and Service Tax, Sales tax, Service tax, duty of customs, duty of excise, Value added tax, cess and any other statutory dues which has not been deposited by the Company on account of disputes.

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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) As per the records of the Company, the Company has not taken any loans or borrowings from any lender. Hence reporting requirement under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loans during the year and there are no term loans outstanding at the beginning of the year. Hence, reporting requirement under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) The Company has not raised any funds on short term basis during the year and there are no funds raised on short term basis that were outstanding at the beginning of the year. Hence, reporting requirement under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the financial statement of the Company, it has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence, reporting requirement under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, reporting requirement under clause 3(ix)(f) of the Order is not applicable to the Company.

x. **RAISING OF MONEY**

(a) As per the records of the Company, the Company has not raised money through initial public offer or further public offer (including debt instruments). Hence, reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.

(b) As per the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting requirement under clause 3(x)(b) of the Order is not applicable to the Company.

xi. **FRAUD**

(a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to date of this report.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, the establishment of whistle-blower mechanism is not applicable to the Company. Hence, reporting requirement under clause 3(xi)(c) of the Order is not applicable to the Company.

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xii. NIDHI COMPANY

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, reporting requirement under clause 3(xii) of the Order is not applicable to the Company.

xiii. RELATED PARTY TRANSACTIONS

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.

xiv. INTERNAL AUDIT SYSTEM

According to the information and explanation given to us and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act, 2013.

xv. NON-CASH TRANSACTIONS WITH THE DIRECTORS

According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with them. Hence, the provisions of Section 192 of the Act are not applicable.

xvi. REGISTRATION UNDER THE RESERVE BANK OF INDIA ACT, 1934

(a) According to information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting requirements under clause 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

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

xvii. CASH LOSSES

The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. RESIGANTION OF STATUTORY AUDITORS

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

xix. According to 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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In our opinion, the provisions of Section 135(5) of the Companies Act, 2013 with respect to Corporate Social Responsibility Committee are not applicable to the Company. Accordingly, reporting requirements under clause 3(xx)(a), (b) and (c) are not applicable to the Company.

For A B D AND CO LLP
Chartered Accountants
Firm Registration No.: W100145

A B D AND CO. LLP * W100145 * Chartered Accountants

Devdatta Mainkar
Partner
Membership No.109795
Mumbai, May 17, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended March 31, 2023.

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

We have audited the Internal Financial Controls with reference to financial statements of CHEMOLUTIONS CHEMICALS LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 auditor's judgment, including the assessment of the risks of material misstatement of the standalone Financial Statements, whether due to fraud or error.

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

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Meaning of Internal Financial Controls with over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For ABD AND CO LLP
Chartered Accountants
Firm Registration No.: W100145

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Devdatta Mainkar
Partner
Membership No.109795
Mumbai, May 17, 2023

CHEMOLUTION CHEMICALS LTD
Balance Sheet as at March 31, 2023

(Rs.'000)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	4,883.76	4,805.72
Right-of-use assets	3	3,223.88	6,199.34
Capital work-in-progress	2	-	-
		8,107.65	**11,005.06**
Deferred tax assets (net)	29 (b)	2,857.25	3,288.75
Income tax assets	4	306.92	610.14
Other Non-Current Assets	5	350.00	350.00
Total Non-current Assets		**11,621.83**	**15,253.94**
Current Assets			
Inventories	6	1,928.05	1,702.61
Financial assets			
Trade receivables	7	31,739.18	30,715.39
Cash and cash equivalents	8	605.20	9.94
Bank Balances other than Cash and Cash Equivalents	9	104.52	103.20
Other financial assets	10	-	523.35
		32,448.90	**31,351.88**
Other current assets	11	165.60	290.33
Total Current Assets		**34,542.55**	**33,344.82**
TOTAL ASSETS		**46,164.38**	**48,598.77**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	67,670.03	67,670.03
Other Equity	13	(27,263.83)	(28,025.91)
		40,406.20	**39,644.12**
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
Lease Liabilities	3	-	3,255.16
Total Non-Current Liabilities		**-**	**3,255.16**
Current Liabilities			
Financial Liabilities			
Overdrawn balance in Bank Account	14	-	74.60
Trade Payables	15		
(A) Total outstanding dues of micro enterprises and small enterprises		-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,421.86	1,147.65
Lease liabilities	3	3,961.24	3,961.24
Other financial liabilities	16	244.42	196.67
		5,627.52	**5,380.16**
Other current liabilities	17	130.66	319.34
Current Tax Liabilities (Net)		-	-
Total Current Liabilities		**5,758.18**	**5,699.49**
TOTAL EQUITY AND LIABILITIES		**46,164.38**	**48,598.77**
Significant accounting policies	1		

The accompanying notes are an integral part of these financial statements.

As per our report of even date
For ABD AND CO LLP
Chartered Accountants
FRN W100145

For and on behalf of the Board of Directors of
Chemolution Chemicals Ltd.

A.S.Dukane
Director

J.H. Ranade
Director

Devdatta Mainkar
Partner
M.No.109795
Mumbai, May 17,2023

Mumbai, May 17,2023

CHEMOLUTION CHEMICALS LTD.
Statement of Profit and Loss for the year ended March 31, 2023

			(Rs.'000)
Particulars	**Note**	**For the period ended March 31, 2023**	**For the year ended March 31, 2022**
Revenue from operations	18	15,378.83	24,211.49
Other income	19	46.41	57.40
Total income (I+II)		**15,425.24**	**24,268.89**
Expenses			
Cost of material consumed	20	-	6,859.14
Changes in inventories of finished goods,stock-in-trade and work in progress	21	-	-
Employee benefits expense	22	1,731.72	1,560.26
Finance costs	23	644.86	989.88
Depreciation & amortization expense		3,423.41	3,370.73
Other expenses	24	8,433.60	11,036.87
Total Expenses		**14,233.59**	**23,816.90**
Profit before tax (III-IV)		**1,191.64**	**451.99**
Tax expense			
Current tax		(1.96)	-
Deferred tax		431.51	(265.20)
		429.55	**(265.20)**
Profit for the period from continuing operation (V-VI)		**762.09**	**717.19**

As per our report of even date
For ABD AND CO LLP
Chartered Accountants
FRN W100145

For and on behalf of the Board of Directors of
Chemolution Chemicals Ltd.

Devdatta Mainkar
Partner
M.No.109795
Mumbai, May 17,2023

A.S.Dukane
Director

J.H. Ranade
Director

Mumbai, May 17,2023

ABD AND CO. LLP W100145 Chartered Accountants

CHEMOLUTIONS CHEMICALS LTD. MUMBAI

CHEMOLUTION CHEMICALS LTD.
Statement of Changes in Equity for the year ended March 31, 2023

a) Equity Share Capital

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the reporting year	67,670.03	67,670.03
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	**67,670.030**	**67,670.030**

b) Other Equity

(Rs.'000)

Particulars	Securities Premium	Retained Earnings
Balance as at March 31, 2021	31,335.02	(60,078.13)
Profit for the Year	-	717.19
Balance as at March 31, 2022	**31,335.02**	**(59,360.94)**
Profit for the Year	-	762.09
Balance as at March 31, 2023	**31,335.02**	**(58,598.85)**

The accompanying notes are an integral part of these financial statements.

As per For and on behalf of the Board of Directors of
For ABD AND CO LLP
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CHEMOLUTION CHEMICALS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED March 31,2023

(Rs.'000)

	PARTICULARS	Period ended 31.03.2023	Period ended 31.03.2022
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before taxation	1,192	452
	Adjustments for:		
	Depreciation on Fixed Assets	3,423	3,371
	Interest Expenses	645	990
	Operating Profit before Working Capital changes	**5,260**	**4,813**
	Adjustments for:		
	(Increase) / Decrease in inventories	(225)	4,384
	(Increase) / Decrease in trade receivables	(1,024)	(5,111)
	(Increase) / Decrease in short term loans and advances	125	1,096
	(Increase) / Decrease in long term loans and advances	-	-
	(Increase)/Decrease in Non Financial Assets	-	(90)
	(Increase)/Decrease in Financial Assets	522	(523)
	(Increase) / Decrease in trade payable	274	(1,168)
	(Increase) / Decrease in other payable	(140)	96
	Cash generated/(used) in Operations	**4,791**	**3,494**
	Direct taxes paid net of refund	303	225
	Net cash generated/(used) from operating activities	**5,094**	**3,719**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets	(527)	(898)
	Net cash generated/(used) in Investing Activities	**(527)**	**(898)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from borrowings (Net of repayments)	(75)	75
	Payment of lease liabilities	(3,900)	(3,901)
	Interest Paid	-	
	Net cash generated/(used) from Financing Activities	**(3,975)**	**(3,826)**
	Net Increase / (Decrease) in Cash & Cash Equivalent	**593**	**(1,005)**
	Opening Cash and Cash Equivalents		
	Cash in hand	-	-
	Bank balances	10	1,015
	Closing Cash and Cash Equivalents		
	Cash in hand	-	-
	Bank balances	605	10
		605	10

As per our report of even date
For ABD AND CO LLP
Chartered Accountants
FRN W100145

Devdatta Mainkar
Partner
M.No.109795
Mumbai, May 17,2023

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Mumbai, May 17,2023

CHEMOLUTIONS CHEMICALS LTD. MUMBAI

CHEMOLUTION CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 1:

A. Corporate Information

Chemolution Chemicals Limited ("the Company") is a public company incorporated under the provisions of the Companies Act, 1956 and domiciled in India having its registered office at WICEL, Plot No. F/11-12, WICEL, Opposite SEEPZ Main Gate, Central Road, Andheri (East), Mumbai – 400 093. The Company is engaged in dealing in speciality chemicals. It is also engaged in contract manufacturing / job work.

B. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company's Financial Statements for the year ended March 31, 2020 comprises of the Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows, Statement of Changes in Equity and Notes to Financial Statements.

Current versus non-current classification:
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 the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

Functional and Presentation Currency
The financial statements are presented in Indian rupee, which is the functional currency of the Company. All financial information has been rounded to the nearest thousands, unless otherwise indicated.

Basis of Measurement
The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for certain financial assets and liabilities, including financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured on the basis of actuarial valuation as required by relevant Ind ASs.

Key Accounting Estimates and Judgements:
The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities, are included in the following notes:

(i) Determination of the estimated useful lives of property, plant and equipment and intangible assets.
(ii) Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.

(iii) Recognition of deferred tax assets.
(iv) Fair value of financial instruments.

Estimation of uncertainties relating to the global health pandemic from COVID -19 (COVID-19)
The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, has used internal and external sources of information on the expected future performance of the Company, its ability to meet its liabilities and in assessing the recoverability and carrying values of its assets. There is no material change in the internal control environment in the Company. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

Measurement of fair values
The Company's accounting policies and disclosures require the financial instruments to be measured at fair values.

The Company has an established control framework with respect to measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusions that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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C. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

1 **Ind AS 1 - Presentation of Financial Statements**
This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant on its financial statements.

2 **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**
This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact of the amendment on its financial statements.

3 **Ind AS 12 - Income Taxes**
This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact of the amendment on its financial statements.

C. Significant Accounting Policies

a. **Property, Plant & Equipment**

(i) Recognition and Measurement

Property, plant and equipment is initially measured at cost net of tax credit availed less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

When significant parts of Property, Plant and Equipment are required to be replaced, the Company derecognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly.

(ii) Depreciation

Depreciable amount for property, plant and equipment is the cost of property, plant and equipment less its estimated residual value.

Depreciation is provided on Straight Line Method over the estimated useful lives of the property, plant and equipment prescribed under Schedule II to the Companies Act, 2013 on pro rata basis. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on internal technical evaluation.

The estimated useful lives, residual values and depreciation methods are reviewed by the management at each reporting date and adjusted if appropriate.

(iii) Disposal or Retirement

Property, plant and equipment are derecognised either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and recognised in the Statement of Profit and Loss in the year of occurrence.

b. **Capital Work In Progress**

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure of revenue nature related to such acquisition/expansion is also treated as capital work in progress and capitalized along with the asset.

Trade Advance

c. **Intangible Assets**

(i) Initial Recognition

Acquired Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Internally generated intangible assets

Expenditure on research activities is recognised as expenses in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if, all of the following conditions have been met:

a) It is technically feasible to complete the intangible asset so that it will be available for use or sale.
b) There is an intention to complete the asset.
c) There is an ability to use or sell the asset.
d) The asset will generate future economic benefits.
e) Adequate resources are available to complete the development and to use or sell the asset.
f) The expenditure attributable to the intangible asset during development phase can be measured reliably.

Where no internally generated intangible asset can be recognised, the development expenditure is recognised in the Statement of Profit and Loss in the period in which it is incurred.

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(ii) Amortisation
Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the Straight-Line Method over their estimated useful lives, and is recognised in Statement of profit or loss.

(iii) Derecognition
An item of intangible asset is derecognised either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and recognised in the Statement of Profit and Loss in the period of occurrence.

d. Impairment of non-financial assets
At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

If the recoverable amount of asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expenses in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of an asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

e. Financial Instruments
A financial instrument is any contract that gives rise to financial asset of one entity and financial liability or equity instrument of another entity.

I. Financial Assets
Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

(i) Initial recognition and measurement
All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

(ii) Subsequent measurement and classification
For the purpose of subsequent measurement, the financial assets are classified into three categories:
- Financial assets at amortised cost
- Financial assets at fair value through Other Comprehensive Income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

on the basis of its business model for managing the financial assets

(iii) Financial assets at amortised cost
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold assets for collecting contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment, if any. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(iv) Financial asset at Fair Value through other comprehensive income (FVTOCI)
A financial asset is measured at fair value through other comprehensive income (FVTOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(v) Financial asset at Fair Value through profit or loss (FVTPL)
A financial asset which are not classified in any of the above categories are measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

(vi) Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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(vii) Impairment of financial assets
The Company applies 'Simplified Approach' for measurement and recognition of impairment loss on the following financial assets and credit exposure:

- Financial assets that are debt instruments and are measured at amortised cost e.g. loans, deposits and bank balance
- Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

II. Financial Liabilities

(i) Classification
The Company classifies all financial liabilities as subsequently measured at amortised cost.

(ii) Initial recognition and measurement
All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

(iii) Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

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

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

f. Inventories
Inventories are valued at lower of cost and net realizable value. Costs are computed on weighted average basis and are net of CENVAT/GST credits.

Raw materials, packing materials and stores: Cost includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition.

Finished Goods and Work in Progress: In case of manufactured inventories and work in progress, cost includes all costs of purchase, an appropriate share of production overheads based on the normal operating capacity and other costs incurred in bringing the inventories to the present location and condition.

Net Realizable Value: Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

g. Cash and Cash Equivalents
Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

h. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ii) Contingent Liabilities
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(iii) Contingent Assets
Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements.

i. Revenue Recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is disclosed net of Goods and Services Tax (GST).

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The specific recognition criteria described below must also be met before revenue is recognised.

(i) Sale of goods

- Revenue from the domestic sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, net of returns and allowances, trade discounts and volume rebates.

- Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of bill of lading, net of returns and allowances, trade discounts and volume rebates.

(ii) Sale of services

Revenue is recognised from sale of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts.

(iii) Export incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

(iv) Interest Income

a) Interest income is recognized using the effective interest rate (EIR) method.
b) Interest income on fixed deposits with banks is recognised on time basis.

(v) Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

j. Employee Benefits

Liabilities for wages, salaries, bonus that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

k. Borrowing Cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset are capitalized upto the time all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready to its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

l. Foreign currency transactions / translations

Transactions in foreign currencies are initially recorded at the functional currency spot rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies and remaining unsettled at the reporting date are translated into the functional currency at the exchange rate prevailing on the reporting date.

Non- monetary items that are measured based on historical cost in a foreign currency are not translated.

Exchange differences arising on settlement of transactions or translation of monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in the previous financial statements are recognised in the Statement of Profit and Loss in the year in which they arise except for exchange differences recognised as a part of qualifying assets.

m. Leases

The Company's lease assets primarily consist of land and buildings. The Company assesses whether a contract contains a lease at the inception of the contract. Leases of assets (other than short term leases or leases for which the underlying asset is of low value) are recognised if the lease contract conveys the right to the Company to control the use of an identified asset for a period of time in exchange for consideration. A contract conveys the right to control the used of an identified asset for a period of time, if throughout the period of lease, the Company has both of the following:

a) The right to obtain substantially all of the economic benefits from use of the identified asset.
b) The right to direct the use of the identified asset.

At the date of commencement of lease, the Company recognises a Right-Of-Use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee except for leases for a term of twelve months or less (short term leases) and low value leases. For short term leases and low value leases, the Company recognises the lease payments as an expense on a straight-line basis over the lease term. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is depreciated using the straight-line method from the commencement date to the the end of the lease term. The right-of-use asset are subsequently measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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n. **Income tax**

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

(i) Current Tax

Current tax is determined as the amount of tax payable or recoverable in respect of taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates that are enacted or substantively enacted at the reporting date.

Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act, 1961. However, credit of such MAT paid is available when the Company is subject to tax as per normal provisions in the future.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and
b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are amounts of income taxes in future periods in respect of deductible temporary differences, unused tax losses, and unused tax credits to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

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

Deferred tax assets and liabilities are offset only if:

a) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

MAT (Minimum Alternate Tax) credit is recognised as an asset only when, and to the extent, there is convincing evidence that the Company will pay normal income tax during the specified period and the said is created by way of credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews carrying amount of MAT credit at each at the reporting date and writes down the same to the extent that there is no longer convincing evidence to the effect that the Company will pay normal income tax during the period.

o. **Earnings per Share**

Basic earnings per share are computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net 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, by the weighted average number of equity shares outstanding during the year adjusted for the effect of all dilutive potential equity shares.

p. **Dividend**

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

q. **Segment Reporting**

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) which is a single business segment in Fine Chemicals.

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CHEMOLUTIONS CHEMICALS LTD. MUMBAI

CHEMOLUTION CHEMICALS LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2 (A). PROPERTY, PLANT AND EQUIPMENT

INR (in 000)

PARTICULARS	GROSS BLOCK				Accumulated Depreciation				Net Carrying Amount	
	As at April 1,2022	Additions during the year	Deletions during the year	As at March 31, 2023	As at April 1,2022	Depreciation charge for the year	Depreciation on Deletions during the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
i) Tangible Assets										
Buildings & Shed	2,853.97	-	-	2,853.97	111.67	90.38	-	202.05	2,651.93	2,742.30
Plant & Machinery	2,950.04	526.00	-	3,476.04	886.62	357.58	-	1,244.20	2,231.84	2,063.42
Computers	5.00	-	-	5.00	5.00	-	-	5.00	-	-
ERP Hardware Cost	2.00	-	-	2.00	2.00	-	-	2.00	-	-
		-	-			-	-	-	-	
Total	5,811.01	526.00	-	6,337.01	1,005.29	447.95	-	1,453.25	4,883.76	4,805.72
ii) Capital Work- in- Progress									-	-

(A). PROPERTY, PLANT AND EQUIPMENT

INR (in 000)

PARTICULARS	GROSS BLOCK				Accumulated Depreciation				Net Carrying Amount	
	As at April 1,2021	Additions during the year	Deletions during the year	As at March 31, 2022	As at April 1,2021	Depreciation charge for the year	Depreciation on Deletions during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
i) Tangible Assets										
Buildings & Shed	2,853.97	-	-	2,853.97	21.29	90.38	-	111.67	2,742.30	2,832.68
Plant & Machinery	2,120.64	829.40	-	2,950.04	581.73	304.89	-	886.62	2,063.42	1,538.91
Computers	5.00	-	-	5.00	5.00	-	-	5.00	-	-
ERP Hardware Cost	2.00	-	-	2.00	2.00	-	-	2.00	-	-
Total	2,127.64	829.40	-	5,811.01	610.02	395.27	-	1,005.29	4,805.72	4,371.59
ii) Capital Work- in- Progress										-

CHEMOLUTION CHEMICALS LTD.

3 Right-of-Use Assets (ROUs) and Lease Liabilities

A Changes in the carrying value of ROUs for the year ended March 31, 2023

Particulars	Category of Asset		
	Land & Buildings	Plant & Machinery	Total
Balance as on April 1, 2022	3,814.75	2,384.59	6,199.34
Additions, pursuant to initial application of Standard			
Additions during the year	-	-	-
Deletions	-	-	-
Depreciation	1,831.05	1,144.41	2,975.46
Balance as on March 31, 2023	1,983.70	1,240.19	3,223.88

Particulars	Category of Asset		
	Land & Buildings	Plant & Machinery	Total
Balance as on April 1, 2021	5,645.80	3,529.00	9,174.80
Additions, pursuant to initial application of Standard			
Additions during the year	-	-	-
Deletions	-	-	-
Depreciation	1,831.05	1,144.41	2,975.46
Balance as on March 31, 2022	3,814.75	2,384.59	6,199.34

B Movement in lease liabilities during the year ended March 31, 2023

Particulars	Category of Asset		
	Land & Buildings	Plant & Machinery	Total
Balance as on April 1, 2022	**4,440.85**	**2,775.54**	**7,216.39**
Additions, pursuant to initial application of Standard			-
Additions during the year	-	-	-
Deletions	-	-	-
Finance cost incurred during the period	397.00	248.00	645.00
Payment of lease liabilities	2,400.00	1,500.00	3,900.00
Balance as on March 31, 2023	**2,437.85**	**1,523.54**	**3,961.39**

Movement in lease liabilities during the year ended March 31, 2022

Particulars	Category of Asset		
	Land & Buildings	Plant & Machinery	Total
Balance as on April 1, 2021	**6,232.59**	**3,895.38**	**10,127.97**
Additions, pursuant to initial application of Standard			-
Additions during the year	-	-	-
Deletions	-	-	-
Finance cost incurred during the period	608.26	380.16	988.42
Payment of lease liabilities	2,400.00	1,500.00	3,900.00
Balance as on March 31, 2022	**4,440.85**	**2,775.54**	**7,216.39**

C Break-up of current and non-current lease liabilities as on March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current lease liabilities	-	3,255.16
Current lease liabilities	3,961.24	3,961.24
Total	3,961.24	7,216.39

D Details regardinng the contractual maturities of lease liabilities on an undiscounted basis

Particulars		As at March 31, 2023	As at March 31, 2022
Less than one year		3,900.00	3,900.00
One to five years		325.00	4,225.00
More than five years		-	-
Total		4,225.00	8,125.00

E Amounts recognised in Statement of Profit and Loss

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on right of use assets		2,975.46	2,975.46
Interest on lease liabilities		645.00	988.42
Expenses relating to short term leases		-	-

4 Income Tax Assets (Net)

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance tax & Tax Deducted at Source(Net of Taxes)	306.92	610.14
	306.92	**610.14**

5 Other Non-Current Assets

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Amount paid under Protest	350.00	350.00
	350.00	**350.00**

The Company has paid Rs. 350 (FY21-22: Rs. 350.00) as contribution pursuant to request by the Tarapur Environment Protection Society (TEPS), an association of manufacturing units located in Tarapur MIDC, of which the Company is a member. The amount is paid towards 30% of penalty levied by the National Green Tribunal (NGT) vide its order dated 17.09.2020 and the interim directions of the Supreme Court in an appeal against the said order. NGT has levied penalty on TEPS for violations related to discharge and operations of effluent treatment plant in Tarapur MIDC. As per directions of the Supreme Court, TEPS along with its members has an opportunity to file objections before the NGT subject to payment of 30% of penalty. In its order dated 24.01.2022, NGT on rehearing the matter enhanced the penalty amount. In an appeal by Tarapur Industrial Manufacturers Association (TIMA) & TEPS, the Supreme Court vide order dated 27.04.2022 granted a stay to the said order of NGT. Pending disposal of appeal of the TIMA & TEPS in Supreme Court and in view of the share of the Company in penalty which would ultimately fall upon, is indeterminate at this stage, the deposit amount is shown as non-current asset.

6 Inventories

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw material and components		
(i) in stock	100.41	100.41
(i) in transit	-	-
Work-in-progress	-	-
Finished goods	0.20	0.20
Stock in trade	-	-
Stores and spares	1,827.44	1,602.00
	1,928.05	**1,702.62**

7 Trade receivables

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Considered Good (*)	31,739.18	30,715.39
(*) Entire amount is due from Holding Company	**31,739.18**	**30,715.39**

7.1 Details of ageing of gross amount of trade receivables outstanding from the due date of payment

7.2 As at March 31, 2023

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	Total
Undisputed, considered good	1,339.04	8,465.64	8,867.61	13,066.91	-	**31,739.18**
Disputed, considered good	-	-	-	-	-	-
	1,339.04	8,465.64	8,867.61	13,066.91	-	**31,739.18**

As at March 31, 2022

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	Total
Undisputed, considered good	1,625.85	16,909.04	12,180.50	-	-	**30,715.39**
Disputed, considered good	-	-	-	-	-	-
	1,625.85	16,909.04	12,180.50	-	-	**30,715.39**

8 Cash and cash equivalents

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
(i) in current accounts	605.20	9.94
	605.20	**9.94**

9 Bank Balances other than Cash and Cash Equivalents

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks to the extent held as margin money or security against guarantee which have original maturity period of more than 12 months	104.52	103.20
	104.52	**103.20**

10 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Advance	-	523.35
	-	**523.35**

11 Other current assets

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with statutory/government authorities	165.60	290.33
	165.60	**290.33**

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12 Equity Share Capital

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital 75,00,000 equity shares of Rs. 10/- each (Previous Year 67,67,003 equity shares of Rs.10/- each)	75,000.00	75,000.00
Issued, subscribed and paid up share capital 67,67,003 Equity Shares of Rs. 10/- each (Previous Year 67,67,003 Equity shares of Rs.10/-each)	67,670.03	67,670.03
	67,670.03	**67,670.03**

a. Terms/rights attached to equity shares

The Company has only one class of shares having par value of Re.10/-. Each holder of equity shares is entitled to one vote per

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to number of equity shares held by the shareholders.

b. Reconciliation of the number of shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	No.of Shares	Amount	No.of Shares	Amount
Balance, beginning of the year	67,67,003	67,670.03	67,67,003	67,670.03
Add:				
Add: Issued during the year	-	-		
Shares bought back during the year	-	-		
Balance, end of the year	67,67,003	67,670.03	67,67,003	67,670.03

c. Details of Shareholders holding more than 5% shares in the company

Name of Shareholder	Number	%	Number	%
Vibha Agencies Pvt.Ltd.	1,42,750	2%	1,42,750	2%
Pagoda Advisiors Pvt.Ltd	1,32,750	2%	1,32,750	2%
Abana Medisys Pvt.Ltd.	1,25,000	2%	1,25,000	2%
Camlin Fine Sciences Ltd.	63,66,503	94%	63,66,503	94%
	67,67,003	**100%**	**67,67,003**	**100%**

d. Shares held by the promoters

Shares held by the promoters at 31st March 2023			
Pramoter Name	**No. of shares**	**% of total shares**	**% Change during the year**
Vibha Agencies Pvt.Ltd.	1,42,750	2%	0%
Camlin Fine Sciences Ltd.	63,66,503	94%	0%
Total	**65,09,253**		

Shares held by the promoters at 31st March 2022			
Pramoter Name	**No. of shares**	**% of total shares**	**% Change during the year**
Vibha Agencies Pvt.Ltd.	1,42,750	2%	0%
Camlin Fine Sciences Ltd.	63,66,503	94%	0%
Total	**65,09,253**		

13 Other Equity

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Securities Premium		
Balance, beginning of the year	31,335.02	31,335.02
Received on exercise		
Balance, end of the year	**31,335.02**	**31,335.02**
Balance in Statement of Profit and Loss		
Balance, beginning of the year	(59,360.94)	(60,078.13)
Profit for the year	762.09	717.19
	(58,598.86)	**(59,360.94)**
	(27,263.83)	(28,025.91)

14 Overdrawn balance in Bank Account

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank balances		
Overdrawn balance of current account	-	74.60
	-	**74.60**

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15 Trade payables

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Total Outstanding Dues of Micro and Small Enterprises (Refer Note 25)	-	-
(b) Total Outstanding Dues of creditors other than Micro and Small Enterprises	1,421.86	1,147.65
	1,421.86	1,147.65

15.1 Details of ageing of trade payables outstanding from the due date for payment

(a) As at March 31,2023

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	Total
Undisputed, MSME	-	-	-	-	-	-
Undisputed, Others	649.00	682.00	-	91.00	-	**1,422.00**
Disputed, MSME	-	-	-	-	-	-
Disputed, Others	-	-	-	-	-	-

(b) As at March 31,2022

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	Total
Undisputed, MSME						-
Undisputed, Others	717.32	342.33	88.01	-	-	**1,147.66**
Disputed, MSME	-	-	-	-	-	-
Disputed, Others	-	-	-	-	-	-

16 Other financial liabilities

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Payable towards purchase of property, plant and equipment	-	0.52
Other outstanding liabilities	244.42	196.15
	244.42	196.67

17 Other current liabilities

(Rs.'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Other statutory dues	130.66	319.34
	130.66	319.34

There are no amounts due to be credited to Investor Education & Protection Fund in accordance with Section 125 of the Companies At, 2013. of the Companies Act, 2013 as at the year end.

18 Revenue from operations

(Rs.'000)

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Sale of products		
Finished goods	-	6,320.54
Traded goods	-	-
	-	**6,320.54**
(b) Sale of services	15,346.19	17,723.25
(c) Other operating revenues		
Scrap sales	32.64	167.70
	15,378.83	24,211.49

18.1 The Company does not have any remaining performance obligation as contracts are entered for sale of goods and services are for a shorter duration.

19 Other income

(Rs.'000)

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Interest income On		
Bank deposits	46.41	57.40

20 Cost of materials consumed

(Rs.'000)

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Opening Stock of Raw Material	100.41	2,746.14
Add: Purchases of Raw Material	-	4,213.42
Less: Closing Stock of Raw Material	(100.41)	(100.41)
	-	6,859.14

21 Changes in inventories of finished goods, stock-in-trade and work in progress

(Rs.'000)

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Opening Inventory		
Finished goods	0.20	0.20
Stock-in-trade	-	-
Work in progress	-	-
	0.20	**0.20**
Closing Inventory		
Finished goods	0.20	0.20
Stock-in-trade	-	-
Work in progress	-	-
	0.20	**0.20**
	-	-

22 Employee benefit expense

(Rs.'000)

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Salaries and Wages	1,665.23	1,487.65
Staff welfare expenses	66.49	72.61
	1,731.72	1,560.26

Provisions of labour laws related to employees' benefits like Provident Fund, ESIC, Pension Fund, Gratuity etc., are not applicable to the Company, since the total number of employees are below the statutory minimum specified in respective statutes.

23 Finance costs

(Rs.'000)

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Interest expense	-	-
Finance cost relating to leases	644.86	989.88
	644.86	989.88

24 Other expenses

(Rs.'000)

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares	2.78	140.57
Power and fuel	845.13	2,081.02
Rent	1.22	1.17
Rates and taxes	-	125.30
Repairs to plant and equipment	722.72	1,101.31
Repairs to other property, plant and equipment	347.50	27.15
Labour charges	3,549.40	4,664.35
Water Charges	340.72	167.03
Filling Fees	0.60	2.40
Auditors' Remuneration	190.00	200.00
Legal & professional fees	70.00	414.93
Bad advances written off	523.35	-
Establishment Maintenance	1,780.23	1,996.83
Bank Charges	6.07	14.37
Miscellaneous Expenses	53.88	100.44
	8,433.60	11,036.87

Auditor remuneration

(Rs.'000)

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
As Auditors		
Audit Fees	100	100
Tax Audit and GST Audit Fees	-	-
In Other Capacity	90	130
	190	200

25 Earnings per share

(Rs.'000)

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Profit as per Statement of Profit and Loss available for equity shareholders	762.09	717.19
Equity Shares for calculation of earnings per shares (Nos.)	67,67,003	67,67,003
Basic earnings per share (Rs) of face value of Rs 10/- each	0.11	0.11

26 Taxation Laws (Amendment) Act, 2019 has inserted section 115BAA which provides for income tax at concessional rate as compared to existing tax rates. Such concession in rate is subject to certain conditions specified in the that section. Further the Companies opting for such concessional rate are exempt from applicability of provisions of Minimum Alternate Tax specified under section 115JB. The Company has decided to opt for concessional rate of tax specified in section 115BAA on the basis of cost benefit analysis carried out by it. Due to brought forward business losses as well as unabsorbed depreciation, the company is not required to pay any income tax on its profits for financial year 2021-22. Accordingly, for the current year, current tax provision has not been made.

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27 Related party transactions

The related parties with whom the Company had transactions during the year are summarized below:

a

Name of the related party	Nature of relationship
Camlin Fine Sciences Ltd.	Holding Company
Fine Renewable Energy	Entities where control / significant influence by KMP and their relatives exist.

b The transactions with related parties are summarised below:

(Rs.'000)

Particulars of transactions	Name of Related Pary	Holding Company For the period ended March 31, 2023	Holding Company For the year ended March 31, 2022
i Purchases/Expenses			
Goods	Camlin Fine Sciences Ltd.	-	1,703.53
ii Sales			
Goods	Camlin Fine Sciences Ltd.	-	6,320.54
Services	Camlin Fine Sciences Ltd.	15,346.00	17,723.25
iii Advance Given	Fine Renewable Energy		523.00
iv Advance Written off	Fine Renewable Energy	523.00	-
iv Finance			
Lease Rental Paid	Camlin Fine Sciences Ltd.	3,901.20	3,901.20
v Outstanding			
Receivables for goods and services	Camlin Fine Sciences Ltd.	31,739.18	30,715.39
Advance Paid	Fine Renewable Energy	-	523.00
Payable for right-to-use assets	Camlin Fine Sciences Ltd.	3,961.39	3,961.39

28 Segment reporting

The Company has transactions of sale of goods and services within India. The Company is engaged in manufacture, sale and job work of speciality chemicals. Therefore, there is no separate reportable segment.

CHEMOLUTION CHEMICALS LTD. **Note 29**

Additional information forming part of the Financial Statements for the year ended March 31, 2023

(Rs.'000)

(A) INCOME TAXES

(a) Amounts recognised in Profit and Loss

Particulars					31-03-2023	31-03-2022
Current tax					-	-
Adjustment for tax of prior years					(1.96)	-
Deferred tax (net)					431.51	(265.20)
Tax expense for the year					**429.55**	**(265.20)**

(b) Amounts recognised in Other Comprehensive Income

Particulars	For the year ended 31/03/2023			For the year ended 31/03/2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of Defined Benefit Liability (Asset)	-	-	-	-	-	-
other e.g. Fair valuation of investments in equity shares						
	-	-	-	-	-	-

(c) Reconciliation of Effective Tax Rate

Particulars					31-03-2023	31-03-2022
Profit Before Tax					1,191.64	451.99
Tax using the Company's domestic tax rate (Refer Note No. 26)					25.17	25.17
Tax amount (theoretical)					**299.91**	**113.76**
Tax effect of:						
Effect of Non-deductible business expenses					131.60	
Adjustment for prior period tax expenses					(1.96)	
Other Adjustments					-	(378.96)
Tax expense recognised					**429.55**	**(265.20)**

Note 29

(Rs.'000)

(B) DEFERRED TAX ASSETS / LIABILITIES (NET) - MOVEMENT IN DEFERRED TAX BALANCES

(a) Movement in Deferred Tax Balances for the year ended March 31, 2023

Particulars	Net Balance as at April 1, 2022	Movement during the year			As at March 31, 2023	
		Recognised in Profit or	Recognised in Equity	Other	Net	Deferred Tax Asset/(Liability)
Deferred Tax Asset/(Liabilities)						
Property, Plant and Equipment	64.08	(28.43)			(28.43)	35.65
Employee Benefits	-				-	-
Unused Tax Credit	2,968.71	(332.69)			(332.69)	2,636.02
Lease Liablities	255.96	(70.38)			(70.38)	185.58
Provision for non-moving inventory	-				-	-
	-				-	-
Deferred Tax Assets/(Liabilities)	**3,288.75**	**(431.50)**	**-**	**-**	**(431.50)**	**2,857.25**

(b) Movement in Deferred Tax Balances for the year ended March 31, 2022

Particulars	Net Balance as at April 1, 2021	Movement during the year			As at March 31, 2022	
		Recognised in Profit or	Recognised in Equity	Other	Net	Deferred Tax Asset/(Liability)
Deferred Tax Asset/(Liabilities)						
Property, Plant and Equipment	(189.59)	253.67			253.67	64.08
Employee Benefits	-	-			-	-
Unused Tax Credit	2,617.40	351.31			351.31	2,968.71
Lease Liablities	239.89	16.07			16.07	255.96
Provision for non-moving inventory	355.85	(355.85)			(355.85)	-
Deferred Tax Assets/(Liabilities)	**3,023.55**	**265.20**	**-**	**-**	**265.20**	**3,288.75**

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CHEMOLUTION CHEMICALS LTD. Note 30

Additional information forming part of the Financial Statements for the year ended March 31, 2023

(Rs. '000)

Financial instruments – Fair values and risk management

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at March 31, 2023

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Other Investments	-	-	-	-	-	-	-	-
Investments in Debentures	-	-	-	-	-	-	-	-
Investments in Equity Instruments	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Loans	-	-	-		-	-	-	
Security Deposits	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Other non current financial assets	-	-	-	-	-	-	-	-
Current								
Current investments	-	-	-	-	-	-	-	-
Trade receivables	-	-	31,739.18	31,739.18	-	-	-	-
Cash and cash equivalents	-	-	605.20	605.20	-	-	-	-
Bank Balances other than Cash and Cash Equ	-	-	104.52	104.52	-	-	-	-
Other financial assets	-	-	-	-				
Loans								
Security Deposits	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Other Current Assets	-	-	165.60	165.60				-
	-	-	32,614.51	32,614.51	-	-	-	-
Financial liabilities								
Non Current								
Trade payables	-	-		-	-	-	-	-
Lease liabilities	-	-	-	-				
Current								
Borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	1,421.86	1,421.86	-	-	-	-
Lease liabilities			3,961.24	3,961.24				
Other current Financial Liabilities	-	-	244.42	244.42	-	-	-	-
	-	-	5,627.52	5,627.52	-	-	-	-

As at March 31, 2022

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Other Investments	-	-	-	-	-	-	-	-
Investments in Debentures	-	-	-	-	-	-	-	-
Investments in Equity Instruments	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Loans					-	-	-	-
Security Deposits	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Other non current financial assets	-	-	-	-	-	-	-	-
Current								
Current investments	-	-	-	-	-	-	-	-
Trade receivables	-	-	30,715.39	30,715.39	-	-	-	-
Cash and cash equivalents	-	-	9.94	9.94	-	-	-	-
Bank Balances other than Cash and Cash Equivalents			103.20	103.20				
Other financial assets			523.35	523.35				
Loans								
Security Deposits	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Other Current Assets	-	-	290.33	290.33	-	-	-	-
	-	-	31,642.21	31,642.21	-	-	-	-
Financial liabilities								
Non Current								
Trade payables	-	-	-	-	-	-	-	-
Lease liabilities			3,255.16	3,255.16	-	-	-	-
Current								-
Borrowings			74.60	-	-	-	-	-
Trade payables			1,147.65	1,147.65	-	-	-	-
Lease liabilities			3,961.24	3,961.24	-	-	-	-
Other current Financial Liabilities			196.67	196.67	-	-	-	-
	-	-	8,635.32	8,561	-	-	-	-

Level - 1 : quoted prices (unadjusted) in active markets for idential assets or liabilities

Level - 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level - 3 :inputs for the asset or liability that are not based on observable market data (unobservable inputs)

FVTPL : Fair Value through Profit and Loss

FVTOCI : Fair Value through Other Comprehensive Income

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(Rs. '000)

A. CREDIT RISK

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

The Company is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in mutual funds, deposits with banks and financial institutions and financial instruments.

Trade and other receivables

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the businesses periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

	As at	As at
	31-03-2023	**31-03-2022**
Neither past due nor impaired	1,339.04	1,625.85
Past Due and less than 6 months	8,465.64	16,909.04
More than 6 months and less than 1 year	8,867.61	12,180.50
More than 1 year and less than 3 years	13,066.91	
More than 3 years	-	-
	31,739.18	**30,715.39**

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CHEMOLUTIONS CHEMICALS LTD. MUMBAI

CHEMOLUTION CHEMICALS LTD. Note 30

Additional information forming part of the Financial Statements for the year ended March 31, 2023

(Rs. '000)

B. LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

Contractual cash flows statement as at March 31, 2023							
Particulars	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Non-Current							
Term loans from banks	-	-	-		-	-	-
Debentures	-	-	-		-	-	-
Fixed Deposits	-	-	-		-	-	-
Lease liabilities	-	-	-	-	-	-	-
Other Non-current Financial Liabilities	-	-	-		-	-	-
Current							
Secured Borrowings	-	-	-		-	-	-
Unsecured Borrowings	-	-	-		-	-	-
Short term loans from banks	-	-	-		-	-	-
Trade Payables	1,421.86	1,421.86	1,331.00	-	91.00	-	-
Other Current Financial Liabilities	244.42	244.42	244.42	-	-	-	-
Lease liabilities	3,961.24	3,961.24	2,464.87	1,496.37	-	-	-
Derivative Liability	-	-	-		-	-	-
Acceptances	-	-	-		-	-	-

Contractual cash flows statement as at March 31, 2022							
Particulars	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Non-Current							
Term loans from banks	-	-	-		-	-	-
Debentures	-	-	-		-	-	-
Fixed Deposits	-	-	-		-	-	-
Lease liabilities	3,255.16	3,255.15	-	-	3,255.15		
Other Non-current Financial Liabilities	-	-	-		-	-	-
Current							
Secured Borrowings	74.60	74.60	74.60		-	-	-
Unsecured Borrowings	-	-	-		-	-	-
Short term loans from banks	-	-	-		-	-	-
Trade Payables	1,147.65	1,147.65	1,059.65	88.01		-	-
Other Current Financial Liabilities	196.67	196.67	196.67	-	-	-	-
Lease liabilities	3,961.24	3,961.24	2,464.87	1,496.37			
Derivative Liability	-	-	-		-	-	-
Acceptances	-	-	-		-	-	-

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CHEMOLUTION CHEMICALS LTD. Note 30

Additional information forming part of the Financial Statements for the year ended March 31, 2023

(Rs. '000)

C. MARKET RISK

The Company is exposed to market risks such as price, interest rate fluctuation and capital structure and leverage risks. There is no foreign exchange flucutuation risk as the Company has no transactions with foreign

D. INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of change in market interest rates
relates primarily to its borrowings. The Company's borrowings are at floating rates and its future cash flows
The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Liabilities		
Borrowings		
Overdraft balance in Current Account	-	74.60
Total	-	74.60

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Note 31

Additional information forming part of the Financial Statements for the year ended March 31, 2023

(Rs. '000)

Capital Management

The primary objective of the Company's capital management is to maintain an efficient capital structure and to maximise shareholder's value. The Management seeks to maintain a balance between higher returns that is achieved by raising funds through equity and the advantages by a sound capital position.

The Company monitors capital using a ratio of 'Net Debt to Equity'. For this purpose, Capital includes issued capital and all other equity reserves. Net Debt is defined as total borrowings less cash & bank balances and other current investments

The Company's net debt to equity ratios are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Long Term Borrowings	-	-
Short Term Borrowings	-	74.60
Other Current Financial Liabilities		
Lease liabilities	3,961.24	3,961.24
Current maturities of long term debts	-	-
Advances From Related Party	-	-
Gross Debt	**3,961.24**	**4,035.84**
Less - Cash and Cash Equivalents	(605.20)	(9.94)
Less - Bank balances other than above	(104.52)	(103.20)
Less- Current Investments	-	-
Less - Other Bank Deposits	-	-
Net debt	**3,251.52**	**3,922.70**
Total equity	**40,406.20**	**39,644.12**
Net debt to Equity ratio	**0.08**	**0.10**

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Analytical Ratios

(Rs. '000)

Ratio Name	Numerator	Denominator	Current Period			Previous Period			% Variance	Reason for Variance
			Numerator	Denominator	Ratio Value	Numerator	Denominator	Ratio Value		
Current Ratio	Current Assets	Current Liabilities	34,542.55	1,796.94	19.22	33,344.82	1,738.25	19.18	0.21%	
Debt Equity Ratio	Total Debt *	Shareholders Equity	3,961.24	40,406.20	0.10	7,216.40	39,644.12	0.18	-46.14%	Decrease in lease rental liabilities
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	5,259.91	4,544.86	1.16	4,812.60	4,889.88	0.98	17.59%	
Return on Equity	Net profit after taxes	Average Shareholders Equity	762.09	40,025.16	1.90%	717.19	39,285.52	1.83%	4.30%	
Inventory Turnover Ratio	Cost of goods sold	Average inventory	-	1,815.33	0.00	6,859.15	3,894.36	1.76	-100.00%	No cost of goods sold in the absence of sale of goods
Trade Receivables Turnover Ratio	Sales	Average trade receivables	15,378.83	31,227.29	0.49	24,211.49	28,159.72	0.86	-42.72%	Decrease in sales has resulted in lower ratio.
Trade Payables Turnover Ratio	Cost of goods sold	Average trade payables	-	1,284.75	0.00	6,859.15	1,731.74	3.96	-100.00%	No cost of goods sold in the absence of sale of goods
Net Capital Turnover Ratio	Sales	Working Capital	15,378.83	19,439.44	0.79	24,211.49	18,948.34	1.28	-38.09%	Decrease in sales has resulted in lower ratio.
Net Profit Ratio	Net profit after taxes	Sales	762.09	15,378.83	4.96%	717.19	24,211.49	2.96%	67.29%	Increase in profits as well as decrease in sales led to improvement in ratio
Return on Capital Employed	Earnings before interest, and taxation	Capital Employed ***	1,836.50	43,986.40	4.18%	1,441.87	46,501.90	3.10%	34.65%	Improvement in ratio due to 1) Incrase in profits 2) Decrease in lease finance costs 3) Decrease in lease liabilities
Return on Investment **										

* Debt represents only lease liabilities
** As there are no investments, the said ratio is not applicable
*** Tangible net worth + Lease liabilities

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Additional information forming part of the Financial Statements for the year ended March 31, 2023.

Note 33: Additional Regulatory and Disclosures

a) Valuation of PP&E, intangible asset and investment property:
The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

b) Loans or advances:
The company has not granted advances in the nature of loans to promoters, directors, KMPs and other related parties either severally or jointly with any other person.

c) Details of benami property held:
No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

d) Borrowing:
The Company does not have borrowings from banks or financial instututions.

e) Wilful defaulter:
The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

f) Relationship with struck off companies:
The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

g) Registration of charges or satisfaction with Registrar of Companies:
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyind the statutory period.

h) Compliance with number of layers of companies:
The Company has complied with the number of layers prescribed under the Companies Act, 2013.

i) Compliance with approved scheme(s) of arrangements:
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

j) Undisclosed income:
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

k) Corporate Social Responsibility (CSR):
Section 135 of the companies Act, 2013 relating to CSR is not applicable to the company

l) Details of Crypto Currency or Virtual Currency:
The company has not traded in Crypto or Virtual Currency.

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Note 34

The Company has no contingent liabilities as well as capital commitments as on 31.03.2023 & 31.03.2022.

Note 35

Prior year comparatives

Prior year figures have been reclassified, where necessary to confirm to current year's classification.