Shrikanth S. Kulkarni F.C.A.
Roshan R. More F.C.A., A.C.S.
Sandesh C. Bhandare F.C.A., DISA (ICAI)

KULKARNI DHURI & CO.
CHARTERED ACCOUNTANTS

208/210, Hiren Light Industrial Estate, Mogul Lane, Behind Johnson & Johnson House, Mahim (W), Mumbai-400 016.
Tel.: +9122-24456169 / +9122-24456197 • Email : info@kdacindia.com • Web-site : www.kdacindia.com
Branch Office : 39/40, B/4 Wing, Ramnagri, Ambegaon, Taluka Haveli, Pune - 411 146.

INDEPENDENT AUDITOR'S REPORT

To the Members of Chemolution Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Chemolution Chemicals Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 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, 2019, and profit 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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.

(a) 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

(b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(d) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(e) 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 litigations on its financial position in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.

For Kulkarni Dhuri & Co.

Chartered Accountants
FRN: 129274W

S.S.Kulkarni
Partner
M No 36146
Place: Mumbai
Date: 16/05/2019

Shrikanth S. Kulkarni F.C.A.
Roshan R. More F.C.A., A.C.S.
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Annexure-I to the Auditors Report

The Annexure referred to in our report to the members **Chemolutions Chemicals Ltd** for the year ended **31st March 2019**. We report that:

(i)	(a)	whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes, The Company has maintained proper records.
	(b)	whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes.
(ii)	(a)	whether physical verification or inventory has been conducted at reasonable intervals by the management;	Physical verification of inventory was conducted by the Management at reasonable intervals during the period.
	(b)	are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business If not, the inadequacies in such procedures should be reported;	The management reasonably followed the procedure of physical verification.
	(c)	whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	The company is maintaining proper records of inventory; no discrepancies were noticed on physical verification.
(iv)		Is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services? Whether there is a continuing failure to correct major weaknesses in internal control system.	The Company has adequate internal control procedure commensurate with the size of the Company and nature of its Business. We have not come across any major weakness in internal control.
(v)		in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other ... of the Companies Act and the	In our opinion and according to the information and explanation given to us, the Company has taken unsecured loan from the Companies, Firms or other parties covered in

	rules framed there under, where applicable, have been complied with? if not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	the register maintained as per Companies Act, 2013.
(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained	As informed to us the Central Govt. has not prescribed the maintenance of cost records by the Company under Section 148 of the Companies Act, 2013.
(vii)	(a) is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-Lax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor	According to the records of the Company, the Company is *generally regular* in depositing with appropriate authorities undisputed Statutory dues including Income Tax, Cess and other material statutory dues applicable to it.
	(b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	No undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as of 31st March, 2019 for a period of more than six months from the date they became payable
	(c) whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 (1 of 1956) and rules made thereunder has been transferred to such fund within time.	According to information and explanation the company is not required to be transferred any amount to investor education and protection fund.
(viii)	whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	Accumulated Losses are more than fifty percent of its net worth.
(ix)	Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial Institutions, Banks or

		debenture holders.
(x)	whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Bank or financial institutions.
(xi)	whether term loans were applied for the purpose for which the loans were obtained;	N.A.
(xii)	whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	According to the information and explanations given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit.

For **KULKARNI DHURI & CO.**
Chartered Accountants
FRN : 129274W

S.S.Kulkarni
Partner
M. No. : 036146
Place :- Mumbai
Date :- 16/05/2019

CHEMOLUTION CHEMICALS LTD.
BALANCE SHEET AS AT 31 March 2019

(Unless otherwise stated all amounts are in Indian Rupees '000)

Particulars	Note	Mar-19	Mar-18
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	1,326.38	70.53
Capital work-in-progress	2	1,589.63	1,589.63
		2,916.01	1,660.16
Deferred tax assets (net)	3	11,608.41	25,118.80
Income tax assets	4	976.39	636.45
Other non-current assets	5	-	35,880.00
Total Non-current Assets		15,500.81	63,295.41
Current Assets			
Inventories	6	5,839.24	5,134.63
Financial assets			
Trade receivables	7	14,041.83	3,649.02
Cash and cash equivalents	8	50.77	1,851.77
Other bank balances	9	-	102.67
		14,092.60	5,603.45
Other current assets	10	3,154.32	1,281.49
Total Current Assets		23,086.16	12,019.58
TOTAL ASSETS		38,586.97	75,315.00
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	67,670.03	67,670.03
Other Equity	12	(35,208.24)	(37,693.72)
		32,461.79	29,976.31
LIABILITIES			
Non-current Liabilities			
Provisions			
Other non-current liabilities	13	-	35,880.00
Total Non-Current Liabilities		-	35,880.00
Current Liabilities			
Financial Liabilities			
Borrowings	14	438.72	4,122.89
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		4,142.78	4,874.61
Other financial liabilities	16	326.34	275.13
		4,907.84	9,272.63
Other current liabilities	17	1,217.34	186.05
Total Current Liabilities		6,125.18	9,458.68
TOTAL EQUITY AND LIABILITIES		38,586.97	75,314.99

Significant accounting policies 1

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

As per our report of even date
For Kulkarni Dhuri & Company
Chartered Accountants
FRN 129274W

S.S.Kulkarni
Partner
M.No.36146
Mumbai
Dated : 16/05/2019

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

A.S.Dukane
Director

J.H. Ranade
Director

Mumbai

R. D. Sawale
Company Secretary

CHEMOLUTION CHEMICALS LTD.

Statement of Profit and Loss for the period ended March 31, 2019

(Unless otherwise stated all amounts are in Indian Rupees '000)

Particulars	Note	Mar-19	Mar-18
Revenue from operations	18	51,861.19	41,362.58
Other income	19	5.49	12.15
Total income (I+II)		**51,866.68**	**41,374.73**
Expenses			
Cost of material consumed	20	13,600.31	5,805.74
Excise duty on sale of goods		-	151.88
Changes in inventories of finished goods,stock-in-trade and work in progress	21	(767.64)	(133.21)
Employee benefits expense	22	1,043.60	994.71
Finance costs	23	539.10	1,467.57
Depreciation & amortization expense		105.64	23.47
Other expenses		20,880.52	20,655.78
Total Expenses		**35,401.53**	**28,965.93**
Profit before tax (III-IV)		**16,465.15**	**12,408.79**
Tax expense			
Current tax		469.30	-
Deferred tax		13,510.38	3,288.96
		13,979.68	**3,288.96**
Profit for the period from continuing operation (V-VI)		**2,485.48**	**9,119.83**
Total Comprehensive Income for the period (IX + X)		**2,485.48**	**9,119.83**
Earnings per equity share for continuing operation (of Re 1 each)			
Basic		0.37	2.91
Diluted		0.37	2.91

Significant accounting policies 1

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

As per our report of even date
For Kulkarni Dhuri & Company
Chartered Accountants
FRN 129274W

KULKARNI-DHURI & CO. MAHIM, MUMBAI CHARTERED ACCOUNTANTS

S.S.Kulkarni
Partner
M.No.36146
Mumbai
Dated : 16/05/2019

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

A.S.Dukane
Director

J.H. Ranade
Director

R. D. Sawale
Company Secretary

Mumbai

Statement of Changes in Equity for the year ended March 31, 2019

a) Equity Share Capital

INR (in '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the reporting period	67,670.03	67,670.03
Changes in equity share capital during the year	-	
Balance at the end of the reporting period	67,670.03	67,670.03

b) Other Equity

INR (in '000)

Particulars	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	Other comprehensive income	
Balance as at April 1, 2017	-	31,335.02	-	(78,148.57)	-	**(46,813.54)**
i) Additions during the year						-
ii) Utilisations during the year						-
iii) Profit for the year				9,119.83		**9,119.82**
Balance as at March 31, 2018	-	**31,335.02**	-	**(69,028.74)**	-	**(37,693.72)**
i) Additions during the year						-
ii) Utilisations during the year						-
iii) Profit for the year				2,485.48		**2,485.48**
Balance as at March 31, 2018	-	**31,335.02**	-	**(66,543.27)**	-	**(35,208.24)**

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

As per our report of even date
For Kulkarni Dhuri & Company
Chartered Accountants
FRN 129274W

KULKARNI-DHURI & CO. MAHIM, MUMBAI. CHARTERED ACCOUNTANTS

S.S.Kulkarni
Partner
M.No.36146
Mumbai
Dated : 16/05/2019

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

A.S.Dukane
Director

J.H. Ranade
Director

R.D. Sawale
Company Secretary

Mumbai

CHEMOLUTION CHEMICALS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2019

	PARTICULARS	Year ended 31.03.2019 (Rs. In thousand)	Year ended 31.03.2018 (Rs. In thousand)
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before taxation	16,465	12,409
	Adjustments for:		
	Depreciation on Fixed Assets	106	23
	Interest Expenses	539	1,468
	Operating Profit before Working Capital changes	**17,110**	**13,900**
	Adjustments for:		
	(Increase) / Decrease in inventories	(705)	(481)
	(Increase) / Decrease in trade receivables	(10,393)	(3,649)
	(Increase) / Decrease in short term loans and advances	(1,770)	480
	(Increase) / Decrease in long term loans and advances	-	-
	(Increase) / Decrease in trade payable	(732)	911
	(Increase) / Decrease in other payable	1,082	85
	Cash generated/(used) in Operations	**4,593**	**11,245**
	Direct taxes paid	(809)	(677)
	Net cash generated/(used) from operating activities	**3,784**	**10,568**
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets	(1,361)	(1,590)
			-
	Net cash generated/(used) in Investing Activities	**(1,361)**	**(1,590)**
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from borrowings (Net of repayments)	(3,684)	(6,429)
	Interest Paid	(539)	(1,468)
	Net cash generated/(used) from Financing Activities	**(4,223)**	**(7,897)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,801)	1,082
	Opening Cash and Cash Equivalents		
	Cash in hand	-	-
	Bank balances	1,852	770
	Closing Cash and Cash Equivalents		
	Cash in hand	-	-
	Bank balances	51	1,852
		51	1,852

As per our report of even date
For Kulkarni Dhuri & Company
Chartered Accountants
FRN 129274W

KULKARNI-DHURI & CO. MAHIM, MUMBAI

S.S.Kulkarni
Partner
M.No.36146
Mumbai
Dated : 16/05/2019

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

A.S.Dukane
Director

J.H. Ranade
Director

R. D. Sawale
Company Secretary

CHEMOLUTIONS CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 1:

A. Corporate Information

Chemolutions 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, 2018 comprises of the Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows, Statement of Changes in Equity and Notes to Financial Statements.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Indian Generally Accepted Accounting Practices (IGAAP), including Accounting Standards (ASs) specified under Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014, as amended, to the

The Financial Statements of the Company for the year ended March 31, 2018 are approved by the Board of Directors on May 24, 2018. These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the Company's equity, financial position, financial performance and its cash flows is provided in Note 51

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 lakhs, 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.

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.

C. Recent Accounting Developments

Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, *Revenue from Contract with Customers*, Appendix B to Ind AS 21, *Foreign currency transactions and advance consideration* and amendments to certain other standards. These amendments are in line with recent amendments made by International Accounting Standards Board (IASB). These amendments are applicable to the Company from 1st April, 2018. The Company will be adopting the amendments from their effective date.

a. Ind AS 115 – Revenue from Contract with Customers:

As per notification dated March 28, 2018, the Ministry of Corporate Affairs amended the Companies (Indian Accounting Standards) Amendments Rules, 2018, notifying "Ind AS-115 relating to Revenue from Contracts with Customers" and related amendments to other standards on account of notification of Ind AS 115. Ind AS 115 supersedes Ind AS 18, Revenue. The effective date of adoption of this standard is annual periods beginning on or after April 01, 2018 onwards. The Company is currently evaluating the effect of the above amendments.

b. Appendix B to Ind AS 21 – Foreign Currency transactions and advance consideration:

The appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such asset, expense or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration. The Group is currently evaluating the effect of the above amendments.

D. First time adoption of Ind AS

The Company has prepared the opening Balance Sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from IGAAP to Ind AS as required by Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company. The significant items are as follows:

a. Deemed cost for Property, Plant and Equipment, Investment Property and Intangible Assets:

The Company has elected to measure all its property, plant and equipment and intangible assets at the IGAAP carrying amount as its deemed cost on the date of transition to Ind AS.

E. 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.

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.

(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 eqnity 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.

(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 including excise duty and excluding sales tax/ value added tax (VAT) / Goods and Services Tax (GST).

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

(ii) 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.

(iii) 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.

(iv) 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

Leases of assets, under which substantially all the risks and rewards incidental to ownership of the leased assets, are transferred to the Company are accounted as finance leases. Assets acquired under finance leases are capitalised at lower of fair value and present value of minimum lease payments at the inception of the lease. Initial direct costs incurred are added to the amount recognised as an asset. Minimum lease payments are apportioned between finance charges and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. If there is no reasonable certainty that the Company will obtain ownership of the leased asset by the end of the lease term, the leased asset is depreciated over the shorter of the lease term or the estimated useful life of the leased asset.

Leases of assets, under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis over the lease term unless the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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.

CHEMOLUTION CHEMICALS LTD.

3 Deferred tax Asset, net

	Mar-19	Mar-18
The components of the deferred tax asset are as follows		
Asset		
Carry forward Losses	11,912.88	24,754.14
Depreciation	(304.47)	364.66
	11,608.41	**25,118.80**

4 Income Tax Assets (Net)

Advance tax & Tax Deducted at Source(Net of Taxes)	**976.39**	**636.45**

5 Other non-current assets

	Mar-19	Mar-18
Capital advances	-	**35,880.00**
	-	**35,880.00**

Capital Advances Nil lakhs (Previous Year March 31, 2018: INR 358.80 lakhs) towards Land purchase

6 Inventories

	Mar-19	Mar-18
Raw material and components		
(i) in stock	4,902.52	5,001.42
(i) in transit	-	-
Work-in-progress	900.65	133.01
Finished goods	0.20	0.20
Stock in trade	-	-
Stores and spares	35.88	-
	5,839.24	**5,134.63**

7 Trade receivables

	Mar-19	Mar-18
Unsecured		
Considered Good	14,041.83	3,649.02
(Outstanding is less than six months)	**14,041.83**	**3,649.02**

8 Cash and cash equivalents

		Mar-19	Mar-18
(a)	Balances with banks		
	(i) in current accounts	50.77	1,851.77
(b)	Cash on hand	-	-
		50.77	**1,851.77**

9 Bank balances other than cash and cash equivalents

	Mar-19	Mar-18
Balances with banks to the extent held as margin money or security against borrowings, guarantees and other commitments which have a maturity period of less than 12 months from the Balance Sheet date	-	102.67
	-	**102.67**

CHEMOLUTION CHEMICALS LTD.

(Unless otherwise stated all amounts are in India all amounts are in Indian Rupees '000)

2 (A). PROPERTY, PLANT AND EQUIPMENT

INR (in 000)

PARTICULARS	GROSS BLOCK				Accumulated Depreciation				Net Carrying Amount	
	As at April 1,2018	Additions during the year	Deletions during the year	As at March 31, 2019	As at April 1,2018	Depreciation charge for the year	Depreciation on Deletions during the year	As at March 31, 2019	As at March 31, 2019	As at April 1, 2018
i) Tangible Assets										
Plant & Machinery										
Owned	182.00	1,361.49	-	1,543.49	111.47	105.64	-	217.11	1,326.38	70.53
Lease	-				-	-	-	-	-	-
Computers	5.00	-	-	5.00	5.00	-	-	5.00	-	-
ERP Hardware Cost	2.00	-	-	2.00	2.00	-	-	2.00	-	-
Total	189.00	1,361.49	-	1,550.49	118.47	105.64	-	224.11	1,326.38	70.53
ii) Capital Work- in- Progress									1,589.63	-

(A). PROPERTY, PLANT AND EQUIPMENT

INR (in 000)

PARTICULARS	GROSS BLOCK				Accumulated Depreciation				Net Carrying Amount	
	As at April 1,2017	Additions during the year	Deletions during the year	As at March 31, 2018	As at April 1,2017	Depreciation charge for the year	Depreciation on Deletions during the year	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017
i) Tangible Assets										
Plant & Machinery										
Owned	182.00			182.00	88.00	23.47	-	111.47	70.53	94.00
Lease	-			-	-	-	-			-
Computers	5.00			5.00	5.00	-	-	5.00	-	-
ERP Hardware Cost	2.00			2.00	2.00	-	-	2.00	-	-
Total	189.00	-	-	189.00	95.00	23.47	-	118.47	70.53	94.00
ii) Capital Work- in- Progress									1,589.63	-

		Mar-19	Mar-18
10	**Other current assets**		

	Mar-19	Mar-18
Prepaid expenses	-	55.97
Balance with statutory/government authorities	3,154.32	1,225.52
Others	-	-
	3,154.32	**1,281.49**

11 Equity Share Capital

Particulars	Mar-19	Mar-18
Authorised Share Capital		
75,00,000 equity shares of Rs. 10/- each (Previous Year 5,00,000 equity shares of Rs.10/- each)	75,000.00	75,000.00
Issued, subscribed and paid up share capital	67,670.03	67,670.03
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**

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	Mar-19		Mar-18	
	No.of Shares	Amount	No.of Shares	Amount
Balance, beginning of the year	6,767,003	67,670.03	6,767,003	**67,670.03**
Add:				
Add: Issued during the year	-	-		
Shares bought back during the year	-	-		
Balance, end of the year	6,767,003	67,670.03	**6,767,003**	**67,670.03**

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

Name of Shareholder	Number	%	Number	%
Vibha Agencies Pvt.Ltd.	142,750	**2%**	142,750	**2%**
Pagoda Advisiors Pvt.Ltd.	132,750	**2%**	132,750	**2%**
Abana Medisys Pvt.Ltd.	125,000	**2%**	125,000	**2%**
Camlin Fine Sciences Ltd.	6,366,503	**94%**	6,366,503	**94%**
	6,767,003	100%	**6,767,003**	**100%**

12 Equity Share Capital

	Mar-19	Mar-18
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	(69,028.73)	(78,148.56)
Profit for the year	2,485.48	9,119.83
	(66,543.26)	**(69,028.73)**
	(35,208.24)	(37,693.72)

		Mar-19	Mar-18
Note	Other Non-Current Liabilities		

	Particulars	Mar-19	Mar-18
13	**Advances from related parties**	-	35,880.00
		-	**35,880.00**

Last year Chemoloution Chemicals Ltd along with Camlin Fine Chemicals had entered into Memorandum of Understanding (MOU). As per MOU, CFSLshall acquire the land and capital advance shall be adjuted against the sale price and there is a reduction in the CFSL' liability towards sale price payment.

14 Current borrowings

		Mar-19	Mar-18
I	**Loans repayable on demand**		
(a)	**From banks -Secured**		
	Working capital loans (Refer note below)	438.72	4,122.89
II	**Other short term borrowings**		
III	**Loans from related parties**	-	-
		438.72	**4,122.89**

The short term borrowings comprise entirely secured cash credit repayable on demand. The facilities are secured by primary charge over company's inventory of raw material, packing material, semi finished goods and book debts.

15 Trade payables

	Particulars	Mar-19	Mar-18
(a)	Due to Micro and Small Enterprises (Refer Note 25)	215.30	-
(b)	Due to creditors other than above	3,927.48	4,874.61
		4,142.78	**4,874.61**

16 Other financial liabilities

		Mar-19	Mar-18
	Interest accrued but not due on borrowings	26.34	26.70
	Other outstanding liabilities	300.00	248.44
		326.34	**275.13**

17 Other current liabilities

		Mar-19	Mar-18
	TDS payable	-	-
	Other statutory dues	1,217.34	186.05
		1,217.34	**186.05**

		Mar-19	Mar-18
18	**Revenue from operations**		

		Mar-19	Mar-18
(a)	**Sale of products (including excise duty)**		
	Finished goods	22,326.11	12,486.30
	Traded goods	-	-
		22,326.11	**12,486.30**
(b)	**Sale of services**	29,378.08	28,811.38
(c)	**Other operating revenues**		
	Scrap sales (including excise duty)	157.00	64.90
		51,861.19	**41,362.58**

19	**Other income**		
		Mar-19	**Mar-18**
	Interest income On		
	Bank deposits	**5.49**	**12.15**

20	**Cost of materials consumed**		
		Mar-19	**Mar-18**
	Opening Stock of Raw Material	5,001.42	4,653.18
	Add: Purchases of Raw Material	13,501.39	6,153.99
	Less: Closing Stock of Raw Material	(4,902.52)	(5,001.42)
		13,600.31	**5,805.74**

21	**Changes in inventories of finished goods, stock-in-trade and work in progress**		
		Mar-19	**Mar-18**
	Opening Inventory		
	Finished goods	0.20	-
	Stock-in-trade		
	Work in progress	133.01	-
		133.21	**-**
	Closing Inventory		
	Finished goods	0.20	0.20
	Stock-in-trade	-	-
	Work in progress	900.65	133.01
		900.85	**133.21**
		-767.64	**-133.21**

22	**Employee benefit expense**		
	Particulars	**Mar-19**	**Mar-18**
	Salaries and Wages	961.57	913.67
	Staff welfare expenses	82.03	81.03
		1,043.60	**994.71**

23	**Finance costs**		
	Particulars	**Mar-19**	**Mar-18**
	Interest expense for financial liabilities not classified as at FVTPL	539.10	1,467.57
		539.10	**1,467.57**

		Mar-19	Mar-18
24	**Other expenses**		
		Mar-19	**Mar-18**
	Consumption of stores and spares	234.88	105.33
	Power and fuel	3,181.75	2,713.15
	Rent	6,403.20	8,801.20
	Rates and taxes	2,232.25	51.72
	Insurance	244.85	58.24
	Repairs to plant and equipment	2,081.79	1,402.60
	Repairs to other property, plant and equipment	46.09	28.64
	Labour charges	3,718.28	2,894.19
	Transport and forwarding charges	5.00	-
	Water Charges	506.09	349.52
	Filling Fees	9.60	779.91
	Auditors' Remuneration	150.00	185.05
	Legal & professional fees	164.21	1,395.19
	Establishment Maintenance	1,747.38	1,543.34
	Bank Charges	57.71	14.57
	Miscellaneous Expenses	97.44	333.12
		20,880.52	**20,655.78**
25	**Income tax recognised in profit and loss**		
	Particulars	**Mar-19**	**Mar-18**
	Current tax		
	In respect of the current year	469.30	-
	Deferred tax		
	In respect of the current year	13,510.38	3,288.96
		13,979.68	**3,288.96**
26	**Earnings per share**		
		Mar-19	**Mar-18**
	Profit as per Statement of Profit and Loss available for equity shareholders	2,485.48	9,119.83
	Equity Shares for calculation of earnings per shares (Nos.)	6,767,003	6,767,003
	Basic earnings per share (Rs) of face value of Rs 10/- each	0.37	1.35

27 Company has converted the long-term advance amounting to Rs. 94,005 thousand payable to Camlin Fine Sciences Limited into 6,267,003 equity shares of Rs. 10 each at a share premium of Rs. 5 per equity share on March 22,2017. Pursuant to the issue of these equity shares Company has become a subsidiary of Camlin Fine Sciences Limited from March 22,2017

Company is in the process of filing consent terms before Honourable High Court of Mumbai with respect to the legal dispute with Tarapur Pharma Chem Ltd regarding purchase of plant & machinery and land (the plant). As per the agreed terms, CFSL has agreed to purchase the said plant from Tarapur Pharma Chem Ltd. Pursuant to this understanding, Company has entered into a MOU with CFSL on March 25,2017 whereby CFSL has agreed to take over the capital advance of Rs.35,880 thousand paid by the Company against the said plant. CFSL has also agreed to adjust this advance with inter of Rs.35,880 thousand paid by the Company against the said plant. CFSL has also agreed to adjust this advance with inter

28 Details of dues to Micro and Small Enterprises as defined under Micro, Small And Medium Enterprises Development Act, 2006

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of collected by the Management. This has been relied upon by the auditors. The credit period varies as per the contractual terms with suppliers. No interest is generally charged by the suppliers. The disclosure relating to Micro and Small Enterprises is as under:

	Particulars	As at March 31, 2019	As at March 31, 2018
a)	Principle amount remaining unpaid beyond due date, to suppliers as at the end of accounting year	98.67	Nil
b)	Interest due thereon remaining unpaid to suppliers as at the end of accounting year	115.27	Nil
c)	Amount of interest paid in terms of Section 16,along with the amount of payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
d)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	1.36	Nil
e)	Amount of interest accrued and remaining unpaid at the end of accounting year.	116.63	Nil
f)	The amount of further interest due and payable even in the succeeding year until such date when the interest due as above are actually paid to the suppliers for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006.	Nil	Nil
g)	Balance as at the year end	215.30	Nil

29	**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	
b	The transactions with related parties are summarised below (figures in brackets represent previous year amounts):		
		Holding Company	
		Mar-19	**Mar-18**
i	**Purchases/Expenses**		
	Goods	12,025.43	3,623.94
ii	**Sales**		
	Goods	33,604.43	12,486.00
	Services	40,300.01	28,811.38
	Rent Paid	1.20	1.20
iii	Rebate and price discount given	18,342.00	Nil
iv	**Outstanding**		
	Receivables	13,988.73	3,649.01
	Advances	Nil	35,880.00
30	**Prior year comparatives**		
	Prior year figures have been reclassified, where necessary to confirm to current year's classification.		

As per our report of even date
For Kulkarni Dhuri & Company
Chartered Accountants
FRN 129274W

S.S.Kulkarni
Partner
M.No.36146
Mumbai
Dated : 16/05/2019

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

A.S.Dukane	J.H. Ranade	R. D. Sawant
Director	Director	Company Secretary

Mumbai
Dated : 16/05/2019

23. SIGNIFICANT ACCOUNTING POLICIES

Accounting convention

The accompanying financial statements have been prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India. The company has prepared these financial statements to comply in all material respects with accounting standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

i) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the year in which the results are known / materialised.

ii) Presentation and Disclosure of Financial Statements

Assets and Liabilities are classified as Current or Non-Current as per the provisions of the revised schedule VI notified under the Companies Act, 1956 and Company's normal operating cycle. Based on the nature of business and its activities, the Company has ascertained its operating cycle as 12 months for the purpose of current & non-current classification of assets & liabilities.

iii) Investments

Long term investments are stated at cost. Provision, if any, is made for permanent diminution in the value of investments.

Current investments are stated at cost or fair value whichever is lower.

iv) Inventories

A	Raw Material and Packing Materials.	At weighted average cost
B	Work in progress and finished goods.	At Cost or Net Realisable Value whichever is lower. Cost includes cost of materials, labour and appropriate manufacturing overheads.

v) Foreign Currency Transactions

a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities are translated at year-end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

vi) Revenue/ Expense Recognition

a) Revenue from the sale of products is recognised when title and the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding collectability of the amount due, associated costs or possible return of goods.

b) Expenses are accounted for on accrual basis.

c) Provisions are recognised when a present legal or constructive obligation exists and the payment is probable and can be reliably estimated.

vii) Contingent Liabilities

Liabilities are disclosed by way of Notes appended to the Balance Sheet in case there is an obligation that may probably not require cash outflow.

viii) Income Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

ix) Earning Per Share

Basic earning per equity share is computed by dividing net profit by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share is computed by dividing net income by the weighted average number of equity shares outstanding adjusted for the effects of all dilutive potential equity shares.

x) Cash Flow Statements

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

24. Employees' Benefits

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

25. Disclosures pursuant to the requirements of Accounting Standards issued by Institute of Chartered Accountants of India.

i) Earnings Per Share (Basic and Diluted)

Particulars	2018-19	2017-18
Net Profit/(Loss) After Tax as per profit and loss account available for equity shareholders (Rs.)	24,85,496	91,19,830
Equity Shares for calculation of earnings per shares (Nos.)	67,67,003	67,67,003
- Basic Earnings per Share (Rs.)	0.37	2.91
- Diluted Earnings per Share (Rs.)	0.37	2.91

ii) <u>Related Party Disclosures:</u>

(a) <u>Subsidiaries, Joint Venture & Associate Companies:</u>

Name of the Related Party	Nature of Relationship
CAMLIN FINE SCIENCES LIMITED	Holding Company

As per our report of even date annexed

For Kulkarni Dhuri & Company
Chartered Accountants
FRN 129274W

KULKARNI-DHURI & CO. MAHIM, MUMBAI. CHARTERED ACCOUNTANTS

S.S.Kulkarni
Partner
M.No.36146
Place :Mumbai
Dated : 16/05/2019

A.S.Dukane
Director

J.H.Ranade
Director

R. D. Sawant
Company Secretary