



Date: August 13, 2024

To BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Scrip Code: 530825

Dear Sir/Madam,

Sub: Annual Report of 32nd Annual General Meeting

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report of our 32nd Annual General Meeting to be held on September 04, 2024.

We request you to kindly take the above submission on record.

Yours Faithfully
For **Daikaffil Chemicals India Limited**

Raghuram K Shetty
Managing Director
DIN: 00038703
Place: Mumbai

Daikaffil Chemicals India Limited



32nd Annual Report 2023-24

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Corporate Information

CIN	L24114MH1992PLC067309
REGISTERED OFFICE	E/4, M.I.D.C., Tarapur, Boisar-401506 Dist-Palghar, Maharashtra
CORPORATE OFFICE	2 nd Floor, A Wing, Fortune Avirahi, Jain Derasar Lane, Borivali (West), Mumbai - 400092. Telephone: +91-22-2898 7912/5070 5050
PLANT	LOCATION
Unit-I	Plot No. E-4, M.I.D.C. Tarapur, Boisar, Dist: Palghar - 401 506.
WEBSITE	www.daikaffil.com
E-MAIL	cs@daikaffil.com
NAME OF THE STOCK EXCHANGES	STOCK CODE NO.
BSE Limited ("BSE")	530825
ISIN NO.	INE789B01018

BOARD OF DIRECTORS

Chairman

Mr. Sadashiv K. Shetty

Managing Director

Mr. Raghuram K. Shetty

Independent Directors

Mr. Omprakash Singh

Mrs. Bhagavati Kalpesh Donga

Key Managerial Personnel as on March 31, 2024

Mr. Sunil Bhaurao Shedge

(Chief Financial Officer)

Mrs. Alesha Hakim Khan

(Company Secretary and Compliance Officer)

BANKERS

HDFC Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

M/s. Link Intime India Pvt. Ltd.

C 101, 247 Park, L.B.S. Marg,

Vikhroli (West),

Mumbai - 400 083.

STATUTORY AUDITOR

NGST & Associates,

Chartered Accountants

SECRETARIAL AUDITOR

M/s. K. C. Suthar & Co.,

Practicing Company Secretary

INTERNAL AUDITOR

SPSJ & Associates LLP

Chartered Accountants

Notice

NOTICE is hereby given that the 32nd (Thirty Second) Annual General Meeting of the members of M/s. Daikaffil Chemicals India Limited ("**Company**") will be held on **Wednesday, September 04, 2024 at 04:00 p.m.** through Video Conferencing (VC)/Other Audio Visual Means (OAVM) facility to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt The Audited Financial Statements for the financial year ended March 31, 2024 including the Audited Balance Sheet as at March 31, 2024 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of **Shri Sadashiv K. Shetty (DIN: 00038681)**, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Approval for increase in overall borrowing limits of the Company as per Section 180(1)(c) of the Companies Act, 2013.**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board together with the moneys already borrowed shall not at any time exceed ₹ **200 crore**.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

4. **Creation of security on the properties of the Company, both present and future, in favour of lenders:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) for creation of charge/mortgage/pledge/hypothecation/security in addition to existing charge/mortgage/pledge/hypothecation/security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immovable properties, tangible or intangible assets of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed/to be availed by the Company by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rate notes/bonds or other debt instruments), issued/to be issued by the Company including deferred sales tax loans availed/to be availed by various Units of the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s)/Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s)/Trustee(s)/State Government(s)/Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans/borrowings/debentures/securities/deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s)/Agent(s)/Trustee(s)/State Government(s)/Agency(ies), etc.

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior/pari passu/subservient with/to the mortgages and/or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents/deeds/writings/papers/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

Registered Office:

E/4, M.I.D.C., Tarapur Boisar-401506
Dist-Palghar, Maharashtra

By order of the Board
For **Daikaffil Chemicals India Limited**

Place: Mumbai

Date: May 25, 2024

Raghuram K. Shetty
Managing Director
DIN: 00038703

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") read with SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meeting issued by Institute of Company Secretaries of India is annexed hereto.
2. The Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") have vide various circulars, allowed companies:
 - (i) To send the annual reports to shareholders who have registered their E-mail ID with the Company/ Depositories only on E-mail; and
 - (ii) To hold Annual General Meeting ("AGM") through VC or OAVM without the physical presence of members at a common venue.

Hence, in accordance with these Circulars, the 32nd AGM of the Members of the Company is being held through VC/OAVM. The venue of the Meeting shall be deemed to be the registered office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is given below herewith and available at the Company's website www.daikaffil.com.

3. **Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

However, in pursuance of Section 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-Voting.

4. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.
5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF/NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-Voting. The said resolution/authorisation shall be sent to the Scrutiniser by E-mail through its registered E-mail address to sutharkc@gmail.com at least 48 hours before the commencement of AGM.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in

the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. **September 04, 2024**. Members seeking to inspect such documents can send an E-mail to cs@daikaffil.com.

7. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Director seeking re-appointment and proposal for continuation of directorship of **Shri Sadashiv K. Shetty (DIN: 00038681)** forms part of this notice and is appended to the notice.
8. Members are requested to address all correspondence in connection with shares held by them, to the Company's Registrar & Transfer Agent ("RTA") at viz., Link Intime India Pvt. Ltd, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083, Telephone No.: 022-49186270/060, E-mail id rnt.helpdesk@linkintime.co.in by quoting their Folio number or their DPID and Client ID number, as the case may be.
9. In accordance with the provisions of the Income Tax Act, 1961 as amended from time to time, dividend declared and paid by the Company is taxable in the hands of its member and the Company is required to deduct Tax at Source (TDS) from dividend paid to the members at the applicable rates. As such, whenever dividend is declared an E-mail will be sent to the registered E-mail ID of the members intimating about detailed process to be followed for submission of documents/declarations. Sufficient time will be provided for submitting the documents/declarations by the members who would desire to claim beneficial tax treatment.
10. **Members are requested to do following, if not done yet:**
 - (i) Provide/update details of their bank accounts indicating the name of the bank, branch, account number and the nine-digit MICR code and IFSC code (as appearing on the cheque) along with photocopy of the cheque/cancelled cheque, self- attested identity proof and address proof, for remittance of dividend through ECS/NEFT and prevent fraudulent encashment of dividend warrants;
 - (ii) Dematerialise the shares held by them in physical form;
 - (iii) Update Permanent Account Number (PAN) against folio/demat account as also for deletion of name of deceased holder, transmission/transposition of shares;
 - (iv) Members holding shares in dematerialised form are requested to intimate/update all particulars of bank mandates, PAN, nominations, power of attorney,

change of address, E-mail address, contact numbers etc. to their Depository Participants (DPs).

11. NRI Members are requested to inform the RTA immediately:

- (i) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier; and
- (ii) Change in their residential status and address in India on their return to India for permanent settlement.

12. In terms of Sections 124 of the Act, any dividend remaining unpaid for a period of seven years from the due date of payment and underlying shares thereon are required to be transferred to the Investor Education and Protection Fund (IEPF). Shareholders can visit the Company's website www.daikaffl.com to get the details of unclaimed dividend under the Investors' Section and claim the same timely to avoid transfer of the same and underlying shares thereon to IEPF account - if any.

13. Pursuant to provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all the underlying shares on which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to IEPF authority as notified by the Ministry of Corporate Affairs.

14. To support the green initiative and as per relaxation given by the Government, only electronic copy of the Annual report for the year ended March 31, 2024 and notice of the 32nd AGM are being sent to the members whose mail IDs are available with your Company/DP(s). Physical copy of the report is not sent to anyone. Annual Report and the notice of the 32nd Annual General Meeting are also posted on the website www.daikaffl.com for download. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of Link Intime India Pvt. Ltd. (agency for providing the remote e-Voting facility and e-Voting system during the AGM) i.e. www.linkintime.co.in.

15. To disseminate all the communications promptly, members who have not registered their E-mail IDs so far, are requested to register the same with DP/RTA for receiving all the communications including Annual Reports, Notices etc. electronically: (i) Registration of E-mail ID for shareholders holding physical shares: Members holding Equity Shares of the Company in physical form and who have not registered their E-mail addresses may get their E-mail addresses registered with RTA, Link Intime India Pvt. Ltd. by clicking the link: https://liiplweb.linkintime.co.in/EmailReg/Email_Register.html on their website <https://www.linkintime.co.in/> at the Investor Services tab by choosing the E-mail/bank registration heading and follow the registration process as guided therein. Members are requested to provide details such as Name, folio number, certificate number, PAN, mobile number and E-mail ID and also upload the image of share certificate in PDF or JPEG format (upto 1 MB). On submission of the shareholders details a OTP will be received by the

shareholder which needs to be entered in the link for verification. (ii) For temporary registration for Demat shareholders: Members of the Company holding Equity Shares of the Company in demat form and who have not registered their E-mail addresses may temporarily get their E-mail addresses registered with Link Intime India Private Limited, by clicking the link: https://liiplweb.linkintime.co.in/EmailReg/Email_Register.html on their website <https://www.linkintime.co.in/> at the Investor Services tab by choosing the E-mail registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID/Client ID, PAN, mobile number and E-mail ID. This E-mail ID will be used for sending annual report, notices for general meetings and other corporate communications as permitted.

16. Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map is not attached to this Notice.

17. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulation (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Link Intime India Pvt. Ltd. for facilitating voting through electronic means, as the authorised e-Voting agency. The facility of casting votes by a member using remote e-Voting as well as the e-Voting system on the date of the AGM will be provided by Link Intime India Pvt. Ltd.

18. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

19. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

20. The Registrar of Members and Share Transfer Books of the Company will remain closed **from August 29, 2024 to September 04, 2024** (both days inclusive) for the purpose of 32nd Annual General Meeting of the Company.

21. The Company has fixed **August 28, 2024** as the Cut-off date for the purpose of Remote e-Voting for ascertaining the name of the Shareholders holding shares both in physical form or dematerialization form who will be entitled to cast

their votes electronically in respect of the business to be transacted at the 32nd AGM of the Company.

22. Instructions for Shareholders for Remote e-Voting and for Shareholders joining the AGM through VC/OAVM & e-Voting during Meeting are given as **Annexure-I**.
23. M/s. K C Suthar & Co., a Practicing Company Secretary, Mumbai (Membership No. 5191 & Certificate of Practice No. 4075) has been appointed as the Scrutiniser to scrutinise

the voting and remote e-Voting process in a fair and transparent manner.

24. The Scrutiniser will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the e-Voting (votes casted during the AGM and votes casted through remote e-Voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutiniser's report shall be communicated to the Stock Exchanges, and RTA and will also be displayed on your Company's website, <https://www.daikaffil.com>.

Registered Office:

E/4, M.I.D.C., Tarapur, Boisar-401506
Dist-Palghar, Maharashtra

Place: Mumbai

Date: May 25, 2024

By order of the Board
For **Daikaffil Chemicals India Limited**

Raghuram K. Shetty

Managing Director

DIN: 00038703

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

Individual Shareholders holding securities in demat mode with NSDL:

METHOD 1 - If registered with NSDL IDeAS facility

Users who have registered for NSDL IDeAS facility:

- Visit URL: <https://eservices.nsd.com> and click on "Beneficial Owner" icon under "Login".
- Enter user id and password. Post successful authentication, click on "Access to e-voting".
- Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

User not registered for IDeAS facility:

- To register, visit URL: <https://eservices.nsd.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp> "
- Proceed with updating the required fields.
- Post registration, user will be provided with Login ID and password.
- After successful login, click on "Access to e-voting".
- Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of NSDL:

- Visit URL: <https://www.evoting.nsd.com/>
- Click on the "Login" tab available under 'Shareholder/Member' section.
- Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting".
- Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL:

METHOD 1 - From Easi/Easiest

Users who have registered/ opted for Easi/Easiest

- Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or www.cdslindia.com.
- Click on New System Myeasi
- Login with user id and password
- After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users not registered for Easi/Easiest

- To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- Proceed with updating the required fields.
- Post registration, user will be provided Login ID and password.
- After successful login, user able to see e-voting menu.
- Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of CDSL.

- Visit URL: <https://www.cdslindia.com/>
- Go to e-voting tab.
- Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".
- System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant:

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through "e-voting" tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:

A. User ID:

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

*Shareholders holding shares in **NSDL form**, shall provide 'D' above

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

- Click "confirm" (Your password is now generated).

3. Click on 'Login' under '**SHARE HOLDER**' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):

STEP 1 – Registration

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
 - a. 'Investor ID':
 - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
 - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

- b. 'Investor's Name' - Enter full name of the entity.
- c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
- d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - Votes Entry

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on 'Votes Entry' tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter '16-digit Demat Account No.' for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

Votes Upload:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select 'View' icon for 'Company's Name / Event number'. E-voting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.

- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholders holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

Institutional shareholders ("Corporate Body/Custodian/Mutual Fund") has forgotten the password:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on '**Login**' under '**Corporate Body/Custodian/Mutual Fund**' tab and further Click 'forgot password?'
- o Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Process and manner for attending the General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on "Login".
 - Select the "**Company**" and '**Event Date**' and register with your following details:
 - A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No.
 - Shareholders/members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID;**
 - Shareholders/members holding shares in **NSDL demat account shall provide**

8 Character DP ID followed by 8 Digit Client ID;

- Shareholders/members holding shares in **physical form shall provide** Folio Number registered with the Company.
- B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
- C. Mobile No.:** Enter your mobile number.
- D. Email ID:** Enter your email id, as recorded with your DP/Company.
- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/Members to Speak during the General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the Company;
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client;
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting;
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting;
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.

Instructions for Shareholders/Members to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/members who have not exercised their vote through the remote e-Voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote";
2. Enter your 16 digit Demat Account No./Folio No. and OTP (received on the registered mobile number/registered email Id) received during registration for InstaMEET and click on 'Submit';
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting;

4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against';
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote;
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/participate in the General Meeting through

InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience.

Shareholders/Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/members have any queries regarding login/e-Voting, they may send an E-mail to instameet@linkintime.co.in or contact on Tel: 022-49186175.

InstaMeet Support Desk

Link Intime India Private Limited

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 READ WITH SEBI (LODR) REGULATIONS, 2015Annexed to the Notice convening the 32nd (Thirty Second) Annual General Meeting**ITEM NO. 3 & 4:****Approval for increase in overall borrowing limits of the Company as per Section 180 (1) (c) of the Companies Act, 2013.**

And

Creation of security on the properties of the Company, both present and future, in favour of lenders:

In order to carry out the business smoothly and to meet the working Capital requirements, the Board of Directors at their meeting held on May 25, 2024 has given their approval and recommended the same to shareholders to approve the borrowing limit of ₹ 200 crore as required u/s 180(1)(c) of the Companies Act, 2013 and rules made there under.

The Board has further given their approval to mortgage, pledge, charge, hypothecate and/or create security interest of every nature on moveable or immoveable assets and properties of the Company to secure the due payment in respect of borrowings of the Company as required u/s 180(1)(a) of the Companies Act, 2013.

The Company may borrow money by way of Secured Loan and Unsecured Loan, both short term and long term for which the Company may need to create charges on the movable and immovable properties of the Company, both present and future, so as to secure the borrowings by the Company, together with interest costs, charges, expenses and all other monies payable by the Company to the concerned Lenders/Institutions, under the respective arrangements entered into/to be entered by the Company and/or Board, **provided that** the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed ₹ 200 crore.

In terms of Section 180(1)(a) the Board of Directors of a Company, shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings only with the consent of the shareholders of the Company by passing a Special Resolution.

As creation of the charges on the movable and immovable properties of the Company, both present and future in respect of Borrowings, will amount to disposal of the undertaking hence the Board can exercise such power only with the consent of the shareholders of the Company by passing a Special Resolution.

Similarly in terms of the Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a Company, shall exercise the power to borrow further money, where money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business only with the consent of the shareholders of the Company by passing a Special Resolution.

The Ministry of Corporate Affairs (MCA), New Delhi vide their Notification No. 2754 dated September 12, 2013 had notified inter-alia the applicability of provisions of Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013 with effect from September 12, 2013, which stipulates obtaining prior approval of the Shareholders of the Company by way of Special Resolution for exercising the specified powers of the Board of Directors relating to borrowing and selling/disposing off etc. of an undertaking of the Company respectively.

Therefore the Company is required to obtain consent of the shareholders of the Company by a Special Resolution. Shareholders may kindly note that proposed Borrowing limits and creation of charge in respect of the borrowing is to comply with the requirement of passing of Special Resolution under Section 180 of the Companies Act, 2013.

The relevant resolutions proposed for the Member's approval are specified collectively at item No. 3 and Item No. 4.

The Board of Directors recommend the Special Resolution as set out in item No. 3 and 4 of the Notice for the approval of the Shareholders.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or otherwise interested in this resolution.

Registered Office:

E/4, M.I.D.C., Tarapur Boisar-401506
Dist-Palghar, Maharashtra

Place: Mumbai

Date: May 25, 2024

By order of the Board
For **Daikaffil Chemicals India Limited**

Raghuram K. Shetty
Managing Director
DIN: 00038703

Annexure to the Notice

Details of the Director seeking appointment/re-appointment at this Annual General Meeting (pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings).

Name of Director	Sadashiv K. Shetty
Date of Birth	June 13, 1954
DIN No.	00038681
Date of Appointment	March 26, 2024
Qualifications	Bachelor's (physics and chemistry) and Master's (chemistry) degree in Science from University of Mysore.
Experience in years	More than three (3) decades in agrochemicals industry
No. of equity shares held in your Company	-
No. of Board meetings attended during FY 2023-24	N.A.
Relationship with other Directors and Key Managerial Personnel	1. Brother of Raghuram K. Shetty (Managing Director)
Terms and conditions of appointment	5 Years as Non-Executive Chairman w.e.f. April 01, 2024 Liable to retire by rotation
Other Directorships in Companies	1. Heranba Crop Care Limited 2. Chemino Pharma Limited 3. Mikusu India Private Limited 4. Heranba Organics Private Limited 5. Heranba Industries Limited
Details of remuneration paid	Nil

Boards' Report

To,
The Members,

Your Directors have pleasure in submitting their 32nd Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2024.

1. FINANCIAL RESULTS:

The summarized standalone results of your Company are given in the table below:

(₹ in Lakh except per share)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Business Operations	0.00	63.71
Other Income	71.11	40.99
Total Income	71.11	104.70
Total Expenses	260.39	312.19
Profit/(loss) Before Tax	(189.28)	(207.49)
Less: Tax Expenses (including for earlier years)	0.94	5.87
Net Profit/(Loss) After Tax	(190.22)	(213.36)
Paid Up Equity Share Capital (Face Value ₹ 10 each fully paid up)	60.00	60.00
Other Equity	453.72	643.94
Earning Per Share (Basic/Diluted)	(3.17)	(3.56)

2. DIVIDEND:

As the Company is incurring the lossess during the year under review, your Directors do not recommend Dividend for the financial year 2023-24..

3. FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW:

During the year under review, the Company earned total revenue of ₹ 71.11 Lakh in FY24 as compared to ₹ 104.70 Lakh in FY23. Loss After Tax stood at ₹ 190.22 Lakh in FY24 as compared to ₹ 213.36 Lakh in FY23.

4. SHARE CAPITAL:

As on March 31, 2024, the Authorized share capital of the Company stood at ₹ **6,50,00,000/- (Rupees Six Crore Fifty Lakh Only)** divided into 65,00,000 (Sixty Five Lakh) equity shares of ₹ 10/- (₹ Ten) Each.

As on March 31, 2024, the issued, subscribed and paid up Equity share capital of your Company stood at ₹ **6,00,00,000/- (Rupees Six Crore Only)** divided into 60,00,000 (Sixty Lakh) Equity shares of ₹ 10/- (₹ Ten) each.

5. TRANSFER TO GENERAL RESERVES:

The Company doesn't propose to transfer any amount to General Reserve.

6. INTERNAL FINANCIAL CONTROLS:

The internal financial controls with reference to the Financial Statements commensurate with the size and nature of business of the Company. Further Directors have personally overviewed

the adequacy of internal controls and also appointed M/s. SPSJ & Associates LLP. as the Internal Auditor to manage the internal controls of the Company w.e.f April 01, 2024.

In addition to Internal Audit, the Company has implemented well established internal financial practices, tool for mitigating risk in order to ensure adequate internal financial control commensurate with the size of the Company.

7. FINANCIAL LIQUIDITY:

Cash and Cash Equivalent as at March 31, 2024 was ₹ **751.91 Lakh**. The Company's working capital management is based on a well-organized process of continuous monitoring and control on Receivables, Inventories and other parameters.

8. RELATED PARTY TRANSACTIONS:

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions entered during the year under review with the Promoters, Directors or Key Managerial Personnel. All Related Party Transactions, if any, are placed before the Audit Committee. Further all the Related Party Transaction are disclosed in Financial Statement forming part of the Annual Report

9. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has a Vigil Mechanism/Whistle Policy under which it established a Whistle Blower Policy/Vigil Mechanism.

This policy seeks the support of employees, channel partners and vendors to report Significant deviations from key management policies and report any non-compliance and wrong practices, e.g., unethical behavior, fraud, violation of law, inappropriate behavior/conduct etc.

The Vigil Mechanism/Whistle Blower policy cover serious concerns that could have grave impact on the operations and performance of the business of Daikaffil Chemicals India Limited. A Vigil (Whistle Blower) mechanism provides a channel to the employees and directors to report to the management concerns ethical behavior, actual or suspected fraud or violation of the code of conduct mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The policy neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and/or colleagues in general.

The detailed Vigil Mechanism/Whistle Blower Policy of the Company is uploaded on the Company's website may be accessed on the Company's website.

10. CODE OF CONDUCT:

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

11. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Nomination and Remuneration Committee of the Board formulated a Policy relating to the remuneration of Directors, Key Managerial Personnel and other Employees which, inter alia, prescribes the criteria for determining qualifications, positive attributes and independence of Directors. The Policy is available on the web site of the Company www.daikaffil.com.

12. PREVENTION OF INSIDER TRADING:

Pursuant to the SEBI (Prohibition of insider trading) Regulations, 2015, the Company has formulated and adopted a Code for Prevention of Insider Trading.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

13. CORPORATE GOVERNANCE REPORT:

The paid-up capital of the Company is ₹ 6,00,00,000/- (Rupees Six crore) i.e. less than ₹ 10 crore and the Net-worth of the Company is less than 25 crore as on the last day of the previous financial year.

Pursuant to regulation 15(2) of SEBI (LODR) Regulations, 2015 the compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V SHALL NOT apply, in respect of those listed entities whose paid up equity share capital does not exceed rupees ten crore and net worth does not exceed rupees twenty five crore, as on the last day of the previous financial year. Accordingly, your Company is **exempt** from attaching Corporate Governance report

14. RISK MANAGEMENT POLICY:

The Board has been vested with specific responsibilities in assessing of risk management policy, process and system. The Board has evaluated the risks which may arise from the external factors such as economic conditions, regulatory framework, competition etc. The Executive management has embedded risk management and critical support functions and the necessary steps are taken to reduce the impact of risks. The Independent Directors expressed their satisfaction that the systems of risk management are defensible.

15. INDUSTRIAL RELATIONS:

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

16. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, were not applicable to the Company for the financial year ended March 31, 2024.

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company doesn't have Subsidiary or Associate Company. However, during the year under review. Share Purchase Agreement dated November 08, 2023 ("**Share Purchase Agreement**") was executed among the Promoter Sellers, Other Selling Shareholders of Daikaffil Chemicals India Limited ("**Daikaffil**") and Mikusu India Private Limited ("**Mikusu**") along with Heranba Industries Limited ("**Heranba**").

Pursuant to the said Share Purchase Agreement, Mikusu acquired **29,08,719** (Twenty Nine Lakh Eight Thousand Seven Hundred and Nineteen) Equity Shares, which constitutes **48.48%** (Forty Eight point Forty Eight percent) of the Equity and Voting Share Capital of Daikaffil from the Promoter Sellers and Other Selling Shareholders of Daikaffil.

As Mikusu is 100% Wholly owned Subsidiary Company of Heranba and the Mikusu has a defacto control on Daikaffil being the single largest shareholder who has controlling votes at the AGM of the Company. Hence, Daikaffil is considered as the Subsidiary Company of Mikusu and in turn a **Step-Down Subsidiary** of Heranba Industries Limited.

18. DIRECTORS & KMP:

a. Appointment/Re-appointment/Resignation of Directors:

At the ensuing Annual General Meeting, **Mr. Sadashiv K. Shetty (DIN: 00038681)**, would retire by rotation and being eligible for the re-appointment, offers himself for re-appointment.

During the year under review following appointments and resignations took place:

Sr. No.	Name	Designation	Nature of Change	Effective Date
1	Mr. Sudhir Patel (DIN: 00012036)	Non-Executive, Independent Director	Resignation	November 07, 2023
2	Mr. Sadashiv K. Shetty (DIN: 00038681)	Non-Executive Additional Director	Appointment	March 26, 2024
3	Mr. Raghuram K. Shetty (DIN: 00038703)	Executive Additional Director	Appointment	March 26, 2024
4	Mr. Omprakash S. Singh (DIN: 02103500)	Additional Director to be designated as Non-Executive Independent Director	Appointment	March 26, 2024
5	Mrs. Bhagavati Kalpesh Donga (DIN: 08537080)	Additional Director to be designated as Non-Executive Independent Woman Director	Appointment	March 26, 2024
6	Mr. Aditya Amit Patel (DIN: 00005276)	Director	Resignation	March 27, 2024
7	Mr. Sunil Hansraj Merchant (DIN: 01064306)	Independent Director	Resignation	March 27, 2024
8	Mrs. Maitihili Manharlal Siswawala (DIN: 07107622)	Independent Director	Resignation	March 27, 2024

During the year under review, the Non-Executive Directors of the Company had no material pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Details of the Directors seeking appointment/re-appointment including a profile of these Directors, are given in the Notice convening the 32nd Annual General Meeting of the Company.

Based on the confirmations received, none of the Directors are disqualified for appointment under Section 164(2) of Companies Act, 2013.

b. Key Managerial Personnel (KMP):

Pursuant to Section 2(51) read with Section 203 of the Companies Act, 2013 read with Rules made thereunder, the following persons has been designated as Key Managerial Personnel of the Company as on March 31, 2024 under the Companies Act, 2013:

- (a) Ms. Alesha Khan, Company Secretary
- (b) Mr. Sunil Shedge, Chief Financial Officer

During the year under review following appointments and resignations took place:

Sr. No.	Name	Designation	Nature of Change	Effective Date
1	Mrs. Seemab Ansari	Company Secretary	Resignation	August 25, 2023
2	Ms. Alesha Khan	Company Secretary	Appointment	November 01, 2023
3	Mr. Aditya Amit Patel (DIN: 00005276)	Managing Director	Resignation	March 27, 2024

c. Declaration by Independent Directors:

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 read with rules framed thereunder and SEBI (LODR) Regulation.

In the opinion of the Board, the independent directors are, individually, person of integrity and possess relevant expertise and experience.

In terms of regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the independent directors, the Board has confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

d. Annual Evaluation:

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance, its committees and that of its individual Directors. The evaluation was done based on set questionnaires which were given to them at the time of evaluation.

e. Personnel:

Industrial relations at the Company's factory and other establishments remained cordial during the year. We appreciate the contribution made by the employees.

f. Remuneration Policy for the Directors, Key Managerial Personnel and other Employees:

In terms of the provisions of Section 178(3) of the Act, the Nomination & Remuneration Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The Nomination & Remuneration Committee is also responsible for recommending

to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has decided to form Remuneration Committee.

19. MEETING OF BOARD AND COMMITTEE:

During the financial year under review the Board met 7 times, Audit Committee met 4 times, Nomination and Remuneration Committee met 2 times and Stakeholders Relationship Committee met 1 time. The details are given below:

a. Meetings of the Board and Attendance thereof:

The Board met **7 (Seven)** times during the financial year ended March 31, 2024 on the below mention date:

Sr. No.	Date of Board Meeting
1	May 22, 2023
2	August 11, 2023
3	November 03, 2023*
4	November 03, 2023
5	November 11, 2023
6	November 18, 2023
7	February 12, 2024
8	March 26, 2024

* Separate Board Meeting of Independent Director.

Directors Attendance Record:

Sr. No.	Name of Director	No. of Meetings entitled to attend	No. of Meetings attended	% of attendance
1	Mr. Sudhir Patel*	4	2	50.00%
2	Mr. Aditya Patel	7	6	85.71%
3	Mr. Amit Patel	7	7	100%
4	Mr. Sunil Merchant	8	8	100%
5	Mrs. Maithili Siswawala	8	7	87.50%
6	Mr. Sadashiv K. Shetty	0	N.A.	N.A.
7	Mr. Raghuram K. Shetty	0	N.A.	N.A.
8	Mr. Omprakash Singh	0	N.A.	N.A.
9	Mrs. Bhagavati Kalpesh Donga	0	N.A.	N.A.

*Note: Mr. Sudhir Patel was resigned from the Board with effect from November 07, 2023.

b. Meetings of the Audit Committee and Attendance thereof:

The committee met **4 (Four)** times during the financial year ended March 31, 2024. These meetings were held on May 22, 2023, August 11, 2023, November 03, 2023 and February 12, 2024.

Sr. No.	Name of Director	No of Meetings entitled to attend	No. of Meetings attended	% of attendance
1	Mr. Sudhir Patel	3	2	66.67%
2	Mr. Aditya Patel	4	4	100%
3	Mr. Sunil Merchant	4	4	100%
4	Mrs. Maithili Siswawala	4	3	75.00%

c. Meetings of the Nomination and Remuneration Committee and Attendance thereof:

The committee met **2 (Two)** times during the financial year ended March 31, 2024. These meetings were held on May 22, 2023 and November 03, 2023.

Sr. No.	Name of Director	No of Meetings entitled to attend	No. of Meetings attended	% of attendance
1	Mr. Sudhir Patel	2	1	50.00%
2	Mr. Sunil Merchant	2	2	100.00%
3	Mrs. Maithili Siswawala	2	1	50.00%

d. Meetings of the Stakeholders Relationship Committee and Attendance thereof:

The committee met **1 (One)** time during the financial year ended March 31, 2024 on November 03, 2023.

Sr. No.	Name of Director	No of Meetings entitled to attend	No. of Meetings attended	% of attendance
1	Mr. Sudhir Patel	1	0	0.00%
2	Mr. Sunil Merchant	1	1	100.00%
3	Mrs. Maithili Siswawala	1	1	100.00%
4	Mr. Aditya Patel	1	1	100.00%

20. AUDITORS:**a. Statutory Auditor:**

M/s. NGST & Associates, Chartered Accountants, Mumbai, bearing Firm Registration Number: 135159W were appointed by the members at their 30th Annual General Meeting held in 2022 for five years.

Further, there is no qualification, adverse remark or observation in their audit report. However, there is emphasis on matter cited by the auditor which is self-explanatory.

No instance of fraud was reported by the Auditors during the year.

The Company has received Eligibility certificate letter from NGST & Associates, Chartered Accountants, Mumbai, to the effect that their appointment, is within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment.

b. Secretarial Standards:

The Directors confirm that the Company is in compliance with applicable secretarial standards issued by Institute of Company Secretaries of India.

c. Secretarial Auditors & Secretarial Audit Report:

As on the date of this report, M/s. K. C. Suthar & Co., Practicing Company Secretary was the Secretarial Auditor of the Company.

The Secretarial Audit Report issued by the aforesaid in the Form MR-3 given by the Company secretary in practice is annexed with the report as **Annexure-A**.

The Secretarial Audit Report does not contain any qualification(s), reservation(s), adverse remark(s) or disclaimer(s).

The Company has complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (LODR) Regulations is given separately and forms part of this 32nd Annual Report of the Company as **Annexure-B**.

22. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**a. Auditors Qualification:**

There were no qualifications, reservations or adverse remarks made by the Auditor in his report made for the financial year under review.

b. Secretarial Audit Report By Practicing Company Secretary:

There were no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report made for the financial year under review.

c. Details of Fraud reported by Auditors:

There were no frauds which are reported to have been committed by employees or officers of the Company. The statutory auditors of the Company have vide their report of even date confirmed that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

23. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to provisions of Section 124(5) of the Companies Act, 2013, dividend amount aggregating to Rs. 1,93,463/- pertaining to F.Y. 2015-16 lying with the Company for a period of seven years were transferred during the financial year 2023- 24, to the Investor Education and Protection Fund established by the Central Government.

Information in respect of such unclaimed dividend when due for transfer to the fund is given below:

Description	Dividend Type	Date of declaration	Remained Unclaimed for 7 years	Amount lying in the Account as on March 31, 2023
Final Dividend For The Year 2016-2017	Final	04/08/2017	11/09/2024	345506.3
Final Dividend For The Year 2017-2018	Final	10/08/2018	17/09/2025	157982.4
Interim Dividend For The Year 2019-2020	Interim	11/02/2020	18/03/2027	107398.2

Those Members who have so far not encashed their dividend warrants from the final dividend from F.Y. 2016 - 17 onwards, may approach the Registrar and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd, for making their claim without any further delay as the said unpaid dividends shall be transferred to the Investor Education and Protection Fund of the Central Government pursuant to the provisions of Companies Act.

In terms of Section 124(6) of Companies Act, 2013 and the Rules notified there under, including amendments thereof, the shares in respect of which dividend has not been paid or claimed for a period of seven consecutive years or more, are required to be transferred by the Company to the IEPF Suspense Account.

Accordingly, the Company has transferred shares to IEPF Suspense Account in respect of which dividend has not been paid or claimed. The summary for the same is given below:

DPID/CLID/Folio	Shareholder Name	Shares
1204720013676780	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	153825

The break-up/details of total number of shares transferred to Investor Education and Protection Fund (IEPF) is provided below:

Shares held with	Number of records	Number of shares (Quantity)
CDSL	4	600
NSDL	2	600
Physical	28	5720
Total	34	6920

The details of unpaid / unclaimed dividend and number of shares transferred are available on our website: (www.daikaffil.com).

Shareholders are requested to note that no claim shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years and transferred to Investor Education and Protection Fund of the Central Government. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Suspense Account as per the applicable provisions of Companies Act, 2013 and rules made thereunder.

24. OTHER DISCLOSURE:

a. Change in the nature of business:

There has been no change in the Nature of Business during the year under review. Further no material changes or commitments have occurred between the end of the financial year and the date of this report which affect the financial statements of the Company.

b. Material Changes and Commitments, If Any affecting the Financial Position of the Company:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

c. Deposits:

The Company has neither accepted nor renewed any deposits from public during the year nor has any outstanding Deposits in terms of Section 73 of the Companies Act, 2013. Further there were no Deposits which are not in compliance of the requirements of Chapter V of the Act.

d. Loans, Guarantees and Investments:

Details of Loans, Guarantees and Investments covered under the provision of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

e. Annual Return:

The extracts of Annual Return [MGT-9] pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 has been placed on the website of the Company and can be accessed at www.daikaffil.com.

f. Particulars of employees:

The Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 read Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure-C**.

g. Status of Listing Fees:

The Shares of the Company are continued to be listed on the BSE Limited ("BSE").

Listing Fees till date have been duly paid to BSE, where Company's shares are Listed.

h. Registrar and Share Transfer Agent:

M/s Link Intime India Pvt. Ltd, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No.: 022-4918 6270 is the Registrar and Share Transfer Agent of the Company for the physical and Demat shares. The members are requested to contact directly for any requirements.

i. Complaints relating to Child Labour, Forced Labour, Involuntary Labour, Sexual Harassment:

The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. No case of child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment was reported during the FY 2023-24. The Company has a policy on sexual harassment under which employees can register their complaints against sexual harassment. The policy ensures a free and fair enquiry with clear timelines

j. Material Orders passed by Regulators, Courts or Tribunal:

There were no significant or material orders passed by the Regulators, Courts or Tribunal which impact the going concern status of the Company and the Company's operations in future.

k. Research and Development and Quality Control:

The activities of R & D consist of improvement in the process of existing products, decrease of effluent load and to develop new products and by-products.

The management is committed to maintain the quality control and it is the strength of the Company. All raw material and finished products and materials at various stages of process pass through stringent quality check for the better result and product.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under Section 134 (3) (m) of the Companies Act, 2013 read together with the Rule 8 of the Companies (Accounts) Rules, 2014 the relevant information is given below.

Conservation of Energy and Technology Absorption:

Your Company has installed a wet scrubber on boiler which will reduce the consumption of coal and more importantly protect the environment.

This will minimize the carbon particles being released in the atmosphere. A tertiary treatment plant on line to reduce the water pollution load has also been installed.

The electrical instruments have been connected on line which has reduced the power consumption. Our Japanese collaborators have guided us on regular basis and we thereby conserve energy and reduce our waste water load.

Foreign Exchange Earnings and Outgo:

(₹ in Lakh)	
Foreign Exchange Earnings	Nil
Foreign Exchange Outgo	Nil

26. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts on a going concern basis; and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors deeply appreciate the committed efforts put in by employees at all levels, whose continued commitment and dedication contributed greatly to achieving the goals set by your Company. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For Daikaffil Chemicals India Limited

Place: Mumbai
Date: May 25, 2024

Sadashiv K. Shetty
Chairman
DIN: 00038681

Raghuram K. Shetty
Managing Director
DIN: 00038703

Annexure-A

[FORM NO MR-3]

SECRETARIAL AUDIT REPORT

[For The Financial Year Ended March 31, 2024]

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Daikaffil Chemicals India Limited
Boisar, Maharashtra- 400092.

We have conducted the secretarial audit compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Daikaffil Chemicals India Limited [CIN: L24114MH1992PLC067309] (hereinafter called as "the Company") having its registered office situated at E-4, M.I.D.C. Tarapur, Boisar Dist: Thane, Boisar, Maharashtra, India, 401506. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

The Company has complied with provisions of the Act to the extent of the provisions of the Act.

- v. As the Shares of M/s Daikaffil Chemicals India Limited having CIN: L24114MH1992PLC067309 are listed on recognised

stock exchanges at BSE the following Regulations and Guidelines prescribed under Securities Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company:

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. **Not applicable as there was no reportable event during the financial year under review;**
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021. **Not applicable as there was no reportable event during the financial year under review;**
- e. The Securities and Exchange Board of India (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008. **Not applicable as there was no reportable event during the financial year under review;**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client. **Not applicable as the Company is not a RTA;**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021. **Not applicable as there was no reportable event during the financial year under review;**
- h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018. **Not applicable as there was no reportable event during the financial year under review;**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the Financial Year under review, the Company has complied with the applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent of its applicability;

- j. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

During the Financial Year under review, the Company has complied with the applicable Regulations of SEBI (Depositories and Participants) Regulations, 2018 the extent of its applicability.

vi. Management has identified and confirmed the following laws as being specifically applicable to the Company:

1. Financial and Other Laws applicable to the Company:

- a) The Income Tax Act, 1961;
- b) The Goods and Service Tax Act ("GST");
- c) Trade Marks Act, 1999;
- d) The Export (Quality Control And Inspection) Act, 1963;
- e) Consumer Protection Act, 2019;
- f) Bureau of Indian Standards Act, 2016;
- g) The MSME Act;
- h) Foreign Trade (Development and Regulation) Act, 1992.

2. Industry Specific Laws and Regulations applicable to the Company:

- a) The Legal Metrology Act, 2009;
- b) The Legal Metrology (Packaged Commodities) Rules, 2011;
- c) The Indian Explosives Act, 1884;
- d) The Poisons Act, 1919;
- e) The Indian Boilers Act, 1923;
- f) Shop And Establishment Act.

3. Environmental Laws and Regulations applicable to the Company:

- a) Environment Protection Act, 1986;
- b) Environment (Protection) Rules, 1986;
- c) The Pollution Control Act, 1986;
- d) Air (Prevention and control of Pollution) Act, 1981;
- e) Water (Prevention and control of Pollution) Act, 1974;
- f) Hazardous and other wastes (Management and Transboundary Movements) Rules, 2016;

- g) Water (Prevention & Control of Pollution) Cess Act, 1977;

- h) Water (Control of Pollution) Cess Rules, 1978;

- i) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;

- j) The Chemical Accident (Emergency Planning, Preparedness And Response) Rules, 1996;

- k) Public liability insurance Act, 1991.

4. Labour Law and Regulations applicable on the Company:

- a) The Factories Act, 1948;
- b) Contract Labour (Regulation & Abolition) Act, 1970;
- c) Industrial Employment (standing orders) Act, 1946;
- d) POSH Act - prevention of sexual harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013;
- e) Industrial (Development and Regulation) Act, 1951;
- f) Minimum wages Act, 1948;
- g) The payment of wages Act, 1936;
- h) Employees' provident funds Act, 1952;
- i) Employees state insurance Act, 1948;
- j) Payment of Bonus Act, 1965;
- k) Payment of Gratuity Act, 1976;
- l) Equal Remuneration Act, 1976;
- m) Professional tax Act;
- n) Labour Welfare Fund;
- o) National and festival holidays Act;
- p) Maternity Benefit Act, 1961;
- q) The Child and Adolescent Labour (prohibition & regulation) Act, 1986;
- r) The Employees' Compensation Act, 1923;
- s) Inter State Migrant Workmen Act, 1979;
- t) Labour Laws (simplification of procedure for furnishing returns & maintaining registers by certain establishments) Act, 1988;
- u) Industrial Disputes Act, 1947.

- vii. The Company has complied with the applicable rules, regulation and guidelines issued by the regulatory bodies from time to time with respect to **Import and Export of goods and materials.**

We have also examined the compliance with the applicable clauses of the following:

- a. Secretarial Standards with respect to Meetings of Board of Directors (SS-1), General Meetings (SS-2), Dividend

(SS-3) issued by The Institute of Company Secretaries of India (ICSI) as amended from time to time;

- b. Listing Agreements entered into by the Company with BSE Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent of its applicability.

We further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors and Woman Director. The Changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the act and necessary compliances with the Registrar of Companies has been done.

Changes in the Composition of the Board of Directors during the Year:

Sr. No.	Name of The Director	Designation	Appointment/ Reappointment/Change In Designation/Resignation	Effective Date
1.	Sadashiv Kanyana Shetty	Additional Director (Non-Executive)	Appointment	26/03/2024
2.	Raghuram Kanyan Shetty	Additional Director (Executive)	Appointment	26/03/2024
3.	Omprakash Singh	Additional Director (To Be Designated As Non-Executive Independent Director)	Appointment	26/03/2024
4.	Bhagavati Kalpesh Donga	Additional Director (To Be Designated As Non-Executive Independent Woman Director)	Appointment	26/03/2024
5.	Alesha Hakim Khan	Company Secretary	Appointment	01/11/2023
6.	Aditya Amit Patel	Managing Director	Resignation	27/03/2024
7.	Sunil Hansraj Merchant	Independent Director	Resignation	27/03/2024
8.	Maithili Manharlal Siswawala	Independent Director	Resignation	27/03/2024
9.	Sudhir Manubhai Patel	Independent Director & Chairman	Resignation	07/11/2023
10.	Mrs. Seemab Ansari	Company Secretary	Resignation	25/08/2023

- ii. Adequate notice is given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting;
- iii. All the decisions of the Board and Committees thereof were carried through with requisite majority and as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board, as the case may be.

by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

- a. As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary if any;
- b. During the year the Complaint filed by Shramik Utkarsha Sabh against the Company has been disposed off as withdrawn;

We further report that:

Based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued

Nature and details of the action(s) taken, initiated or order(s) passed:

The Company had issued a notice for discontinuation of manufacturing activities at Tarapur Plant. Aggrieved by the closure notice, Shramik Utkarsha Sabha, (labour union) had filed a complaint ("Said Compliant") against the Company with the Industrial Court, Maharashtra at Thane.

The same compliant has been disposed off as withdrawn and the required disclosure has been filed with the Stock Exchange.

We further report that:

During the financial year under review, following events/actions having a major bearing on the Company's affairs in pursuance

of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred.

During the year under review, Share Purchase Agreement dated November 08, 2023 ("Share Purchase Agreement") was executed amongst the Promoter Sellers, Other Selling Shareholders of the Company ("Target Company") and Mikusu India Private Limited (Acquirer) along with Heranba Industries Limited ("PAC") for Acquisition of equity and voting share capital ("Equity and Voting Share Capital") of the Company ("Target Company") from the Promoter, Promoter Group and Other Selling Shareholders.

Pursuant to this Acquisition the Company has complied with SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 as amended to the extent of its applicability and has filed necessary disclosures with the Stock Exchange.

For **K.C. Suthar & Co.**
Company Secretaries

K.C. Suthar
Proprietor
M. No. FCS: 5191
Peer Review No.: 1357/2021
UDIN: F005191F000474836

Place: Mumbai
Date: May 28, 2024

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To,
The Members,
Daikafil Chemicals India Limited
Boisar, Maharashtra-400092.

MANAGEMENT'S RESPONSIBILITY

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

1. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **K.C. Suthar & Co.**
Company Secretaries

K.C. Suthar
Proprietor
M. No. FCS: 5191
Peer Review No.: 1357/2021
UDIN: F005191F000474836

Place: Mumbai
Date: May 28, 2024

Annexure-B

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENT

The Chemical Industry is essential for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy. The Chemical Industry in India is a key constituent of Indian economic contributory factor in the GDP. In terms of volume, Chemical industry in India is the third largest producer in Asia and sixth largest in the world.

Considering this fact, the Government is taking various initiatives for the growth and development of the sector. 100 per cent FDI is permissible in the Indian chemicals sector while manufacturing of most chemical products is de-licensed. It is expected that new initiatives are likely to attract large investments, both domestic and foreign, with requisite improvements in infrastructure and competition. The government has also been encouraging Research and Development (R&D) in the sector. Moreover, the government is continuously reducing the list of reserved chemical items for production in the small-scale sector, thereby facilitating greater investment in technology up-gradation and modernisation.

FINANCIAL AND OPERATIONAL PERFORMANCE

Members are hereby informed that due to manufacturing orders drying up, the costs had become higher than the revenue, thereby incurring losses. To restrict any further erosion of capital due to the losses, the management undertook certain cost saving measures. The management decided to undertake a planned shutdown in FY 2021-22 of the factory for sometime so that the fixed cost of plant is saved. Certain workers/labourer were retrenched and base workers were retained for the plant upkeep so that as and when the plant restarts, the condition of the plant should be good for manufacturing.

The Members are further informed that, the Company is into the business of Chemical manufacturing since 1992 and trading of the same, it has necessary expertise and appropriate network of vendors in India and abroad and hence, in the interim, the Trading activities are being carried out of Dyes and Dyes intermediates including optical brightener and related group products so that the margins from that can help in sustaining the other costs. As and when sales orders start flowing, the plant will be operational again and the capacity will be restored gradually.

The Members are further informed that, the Company has issued the retrenchment letters ONLY to workmen at the plant and all benefits due to them including retrenchment compensation under applicable labour laws have already been paid and the same is duly reflected in the books of the Company and in Management's view no additional provision is required in the books towards retrenchment of workmen at the plant.

The Company had issued a notice for discontinuation of manufacturing activities at Tarapur Plant. Aggrieved by the closure notice, Shramik Utkarsha Sabha, (labour union) has filed

a complaint ("Said Compliant") against Daikaffil Chemicals India Limited & Ors with the Industrial Court, Maharashtra at Thane.

The Said Compliant has been disposed off as Withdrawn.

It will have positive impact on the financial and other activities of the Company

The following table exhibits, in summary, the financial performance of the Company for the year in relation to previous year:

Particulars	FY 2023-24	FY 2022-23
Sales Growth [%]	Nil	Nil
Domestic Sales Growth [%]	Nil	Nil
Export Sales Growth [%]	Nil	Nil

PRODUCT WISE PERFORMANCE AND ITS OUTLOOK

In accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules, 2006 and based on characteristics of products, production processes and the class of customers, the Company is in one range of product i.e. Organic Dyes and Intermediaries:

Optical brighteners

Optical brighteners, or fluorescent whitening agents, are used to make plastics, fibers, coatings, inks, and detergents appear whiter and brighter. These products function by absorbing invisible ultraviolet light and re-emitting it as visible light in the blue range of the spectrum. These products are particularly useful to mask the yellowish cast sometimes observed in plastics and fibers after high temperature processing operations. They are also used in substrates containing pigments or dyes to make colours appear more brilliant. Optical brighteners are also used in the production of uncoated fine paper, particularly in uncoated fine paper grades containing high-yield pulp (HYP). Increasing level of whiteness and the HYP substitution in fine papers have increased the importance of optical brighteners globally in the recent years.

Naphthol

Naphthol is an organic compound used to manufacture organic Pigments/Master batch. Pigments are used for colouring paint, ink, plastic, fabric, cosmetics, foods and other materials. Most pigments used in manufacturing and the visual arts are dry colorants, usually ground into a fine powder.

The Company is very optimistic about Naphthol grounders because of its Japanese quality. The entire range of Naphthol grounders are being consumed by MNCs. and its printing Ink manufacturers in Japan. The demand of the product has been rising rapidly in Europe & Japan. Looking at the product portfolio and demand in international market the Company foresee a wide scope of the business in near future and may increase capacity subject to approval from Maharashtra Pollution Control Board.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate system of internal controls commensurate with its size and nature of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial statements. These systems enable integrity of financial reporting and adherence to guidelines defined for the Company. Internal controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Corporate policies, management information and reporting system for key operational areas form part of overall control mechanism.

The Internal Audit plan and management actions are presented to the Audit Committee on quarterly basis. The Audit committee reviews adequacy of Internal Control System and the Internal Audit Reports and compliance thereof. The members of audit committee held discussions with the Internal and Statutory Auditors during the meetings of the Committee and all the quarterly and yearly financial statements of the Company were reviewed and recommended by Audit Committee for consideration and approval of the Board of Directors.

RISKS AND CONCERNS

The Company foreign currency revenue earnings are significant and any appreciation or depreciation in the rupee can have a significant impact on revenue and profitability. We evaluate exchange rate exposure arising from these transactions and

enter into foreign exchange instruments to mitigate risks arising out of movements in the rupee (INR). The Company have an appropriate internal control for monitoring the Forwards and future contracts.

Your Company has also shown its concern towards the environment safety. It is becoming more and more conscious about environmental norms, discharge of effluents and better safety for employees, quality standards and has also shown considerable improvement in the recent past.

OPPORTUNITIES AND THREATS

Your Company range of products are under Japanese technology and therefore we stand a better chance of facing competition from China and Indian manufacturers even though the prices are lower compared to ours. The Consumers are ready to pay the extra price for superior quality. The Company may consider expansion once it turns profitable.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATION

Your Company emphasizes on the safety of people working in its premises, Structures safety meeting were held and safety programmes were organised for them throughout the year.

The total numbers of person employed in your Company as on March 31, 2024 were 28.

For **Daikaffil Chemicals India Limited**

Place: Mumbai
Date: May 25, 2024

Sdashiv K. Shetty
Chairman
DIN: 00038681

Raghuram K. Shetty
Managing Director
DIN: 00038703

Annexure-C

DISCLOSURE ON REMUNERATION

Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(a) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

(₹ In Lakh)

Name of the Director/Key Managerial Personnel	Designation	Directors Remuneration	Ratio	Increase (%)
Mr. Aditya Patel	Managing Director	4.625	1.38	(58.33)
Mr. Amit Patel	Director	0.3	0.09	(50.00)
Mr. Sudhir Patel	Director	0.55	0.16	(50.00)
Mr. Sunil Merchant	Director	0.55	0.16	(50.00)
Mrs. Maithili Siswawala	Director	2.775	0.83	404.55
Ms. Seemab Ansari	Company Secretary	0.875	0.26	(58.33)
Ms. Alesha Khan	Company Secretary	1.25	0.37	-
Mr. Sunil Shedge (CFO)	Chief Financial Officer	7.75	2.31	-

Notes:

*Mr. Aditya Patel had resigned from the board w.e.f. March 27, 2024.

** Mr. Sudhir Patel had resigned from the Board with effect from November 07, 2023.

*** Mr. Sunil Merchant had resigned from the board w.e.f. March 27, 2024.

****Mrs. Maithili Siswawala had resigned from the board w.e.f. March 27, 2024.

***** Ms. Seemab Ansari had resigned from the board w.e.f. August 25, 2023.

(b) Median remuneration of the Company for all its employees is ₹ 3.36 Lakh for the financial year 2023-24.

(c) The number of permanent employees on the rolls of Company: 28

(d) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

There is no increment during the Financial Year under review.

(e) Affirmation that the remuneration is as per the remuneration policy of the Company:

All remuneration of the Directors and Key Managerial Personnel are decided by Nomination & Remuneration Committee and by the Board of Directors.

(f) Names of top ten employees of the Company:

The statement containing names of the top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of this Report is open for inspection by the members through electronic mode. Any member interested in obtaining a copy of the same may write to the Company Secretary.

(g) As per rule 5(3) of the Companies (Appointment and Remuneration) Rules, 2014, employees who draw salary exceeding the limit of ₹ 1.02 crore is as follows:

There were no employees who were in receipt of remuneration in excess of above specified limit during the year 2023-24.

Independent Auditors' Report

To the Members of Daikaffil Chemicals India Limited

Report on the Audit of the Financial Statements

OPINION

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

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

BASIS FOR OPINION

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

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

EMPHASIS OF MATTER – MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note No. 40 to the financial statements which describes the facts about planned closure of manufacturing operations for limited period of time in FY 2021-22, primarily on account of dry-up of sales orders and management's actions to reduce the fixed costs and focus on increasing trading activities till the time manufacturing operations restart. The Company's 48.48% equity share capital is acquired by Mikusu India Private Limited which is wholly owned subsidiary of Heranba Industries

Limited during the year. Due to significant change in control over the board of directors of the Company and accordingly the Company has been treated as subsidiary Company of the ultimate holding Company "Heranba Industries Limited".

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

Our conclusion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting

a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in

extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e. The matter described in Material Uncertainty related to Going Concern paragraph mentioned hereinabove, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B".
 - h. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended.
 - i. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.
- j. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 36 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses as at March 31, 2024;
 - iii. there has been no delay in transferring the amount, required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **NGST & Associates**
Chartered Accountants
Firm's Registration No.:135159W

Bhupendra Gandhi
Partner
Membership No.:122296
UDIN: 24122296BKBLVP2321

Place: Mumbai
Date: May 25, 2024

Annexure “A”

To the independent auditors’ report

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

in aggregate for each class of inventories and have been properly dealt with in the books of account.
- (b) (B) The Company does not have any intangible assets and therefore, reporting under clause (i)(a)(B) of the Order is not applicable to the Company.

(b) The Company has not availed any working capital limits at any point of time during the year, from banks or financial institutions and therefore, reporting under clause (ii)(b) of the Order is not applicable to the Company.
- (b) The Company has a regular program of physical verification of property, plant and equipment and Right of use assets which, in our opinion is reasonable. The assets which were to be covered as per the said program have not been physically verified by the management during the year. As the management has not carried out any verification during the year, we are unable to comment whether the discrepancies, if any, are material.

(iii) The Company has not made any investments, provided any guarantee or security, or granted any loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year, and therefore, reporting under Clause (iii) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in financial statements are held in the name of the Company.

(iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the Investments made.
- (d) The Company has changed its accounting policy to account Property, Plant and Equipment (PPE) including Leasehold land) from Revaluation model to Cost model during the year to align with accounting policy of its ultimate holding Company “Heranba Industries Limited”. The Company has reversed revaluation reserve of ₹992.34 lakhs and recomputed depreciation over its PPE under cost model. Annual impact over profit and loss account have been disclosed under note 3 to financial statements.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are considered to be deemed deposits during the year, hence directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder are not applicable to the Company. According to information and explanations provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(vi) The maintenance of cost records under sub-Section (1) of Section 148 of the Companies Act 2013, is not applicable to the Company in view of rule 3 of the Companies (Cost Records and Audit) Rules, 2014, as amended.
- (ii) (a) The inventory of finished goods, stores, spare parts and raw materials have been physically verified by the management. In our opinion, the coverage and procedure of such verification by management is appropriate. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were less than 10%

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees’ State Insurance, Income Tax, duty of Custom, Cess and any other statutory dues applicable to it with the appropriate authorities. Further, no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees’ State Insurance, Income Tax, duty of Custom, Cess and any other statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues as referred to in sub-clause (a) above which have not been deposited on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not taken any loans or other borrowings from any lender and therefore, reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and therefore, reporting under clause (ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the records of the Company, we report that the Company has not taken any funds from any entity or person and does not have any subsidiary, associates or joint venture and therefore, reporting under clause (ix) (e) of the order is not applicable to the Company.
- (f) The Company has not raised any loans during the year and therefore reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and therefore, reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.
- (c) According to the information and explanations given to us, no whistle blower complaints were received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted non-banking financial activities or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The Group does not have any CIC. Accordingly, clauses xvi(d) are not applicable to the Company.
- (xvii) The Company has incurred cash losses of ₹154.09 Lakhs in the current year and cash losses of ₹153.39 Lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board

of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of

the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

(xx) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

For **NGST & Associates**
Chartered Accountants
Firm's Registration No.:135159W

Bhupendra Gandhi
Partner
Membership No.:122296
UDIN: 24122296BKBLVP2321

Place: Mumbai
Date: May 25, 2024

Annexure “B”

To the Independent Auditors’ Report

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

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

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS’ RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial

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

For **NGST & Associates**
Chartered Accountants
Firm's Registration No.:135159W

Bhupendra Gandhi
Partner
Membership No.:122296
UDIN: 24122296BKBLVP2321

Place: Mumbai
Date: May 25, 2024

Balance Sheet

As at March 31, 2024

(₹ in Lakhs except per share)

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

As per our report of even date attached

For **NGST & Associates**
Chartered Accountants
Firm's Registration No.:135159W

Bhupendra Gandhi
Partner
Membership No.:122296

Place: Mumbai
Date: May 25, 2024

For and on behalf of the Board of Directors

Sadashiv K. Shetty
Chairman
DIN: 00038681

Raghuram Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Date: May 25, 2024

Sunil Shedge
Chief Financial Officer
PAN No.: AEGPS7390B

Alesha Hakim Khan
Company Secretary
Membership No.: A55659

Statement of Profit and Loss

For the year ended March 31, 2024

(₹ in Lakhs except per share)

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

As per our report of even date attached

For **NGST & Associates**
Chartered Accountants
Firm's Registration No.:135159W

Bhupendra Gandhi
Partner
Membership No.:122296

Place: Mumbai
Date: May 25, 2024

For and on behalf of the Board of Directors

Sadashiv K. Shetty
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DIN: 00038703

Place: Mumbai
Date: May 25, 2024

Sunil Shedge
Chief Financial Officer
PAN No.: AEGPS7390B

Alesha Hakim Khan
Company Secretary
Membership No.: A55659

Statement of Cash Flows

For the year ended on March 31, 2024

(₹ in Lakhs except per share)

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

NOTES:

(₹ in Lakhs except per share)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1 Cash and Cash equivalents comprise of:		
Cash on Hand	0.11	0.37
Balance with Banks	751.80	99.80
Cash and Cash equivalents	751.91	100.17
Effect of unrealised foreign exchange(gain)/loss (net)	-	-
Cash and Cash equivalents as restated	751.91	100.17
2 The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 - "Statement of Cash Flows".		
3 Figures of the previous year have been regrouped/reclassified wherever necessary.		

As per our report of even date attached

For **NGST & Associates**
Chartered Accountants
Firm's Registration No.:135159W

Bhupendra Gandhi
Partner
Membership No.:122296

Place: Mumbai
Date: May 25, 2024

For and on behalf of the Board of Directors

Sadashiv K. Shetty
Chairman
DIN: 00038681

Raghuram Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Date: May 25, 2024

Sunil Shedge
Chief Financial Officer
PAN No.: AEGPS7390B

Alesha Hakim Khan
Company Secretary
Membership No.: A55659

Statement of Changes in Equity

For the Year Ended March 31, 2024

(A) EQUITY SHARE CAPITAL

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

(B) OTHER EQUITY

(₹ in Lakhs)

Particulars	General Reserve	Securities Premium	Retained Earnings	Revaluation Reserve on PPE	Total Other Equity
Balance As at April 1, 2022	202.00	34.49	620.81	-	857.29
Profit/(Loss) For the Year	-	-	-213.36	-	-213.36
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	-	-	-213.36	-	-213.36
Deferred Tax (Other Comprehensive Income)	-	-	-	-	-
Revaluation of PPE	-	-	-	-	-
Balance As at April 1, 2023	202.00	34.49	407.45	-	643.94
Profit/(Loss) For the Year	-	-	-190.22	-	-190.22
Other Comprehensive Income	-	-	-	-	-
Revaluation of PPE	-	-	-	-	-
Total Comprehensive Income	-	-	-190.22	-	-190.22
Transfer to Retained Earning on Account of Depreciation Effect & for Revaluation of PPE	-	-	-	-	-
Deferred Tax (Other Comprehensive Income)	-	-	-	-	-
Balance As at March 31, 2024	202.00	34.49	217.23	-	453.72

As per our report of even date attached

For **NGST & Associates**
Chartered Accountants
Firm's Registration No.:135159W

Bhupendra Gandhi
Partner
Membership No.:122296

Place: Mumbai
Date: May 25, 2024

For and on behalf of the Board of Directors

Sadashiv K. Shetty
Chairman
DIN: 00038681

Raghuram Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Date: May 25, 2024

Sunil Shedde
Chief Financial Officer
PAN No.: AEGPS7390B

Alesha Hakim Khan
Company Secretary
Membership No.: A55659

Notes to the Financial Statements

For the year ended March 31, 2024

1. CORPORATE INFORMATION

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

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

2. MATERIAL ACCOUNTING POLICIES

i) Statement of Compliance

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

ii) Basis of Preparation

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

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

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

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

Fair Value Measurement

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

iii) Property, Plant and Equipment

Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE are stated at **historical costs**

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

Capital Work-in-Progress includes the cost of PPE that are not yet ready for the intended use.

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

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

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

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

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

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

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

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

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

iv) Impairment of non-financial assets

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated

future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

vi) Inventories

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

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

vii) Revenue Recognition

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

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

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

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

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

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

viii) Investments

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

ix) Leases

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

As a lessee

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

- The contract involves the use of an identified asset;

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

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

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

x) Employees Benefits

Post Employment Benefit

(i) Defined Contribution Plan

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

(ii) Defined Benefit Plan

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

(iii) Short-Term Employee Benefits

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

(iv) Other Long-Term Employee Benefits

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

xi) Statement of Cash Flows

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

xiii) Income Taxes

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

(i) Current Tax

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

(ii) Deferred Tax

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

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

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

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

(iii) Current and Deferred Tax Expense for the Year

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

xiv) Segment Reporting

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

xv) Earnings Per Share

Basic earnings per share is computed by dividing the profit/(loss) after tax with the weighted average number of equity shares outstanding during the year. Diluted earnings per share

is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, with the aggregate of weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

xvi) Dividend

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

xvii) Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

Contingent Liabilities and Assets

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

The treatment in respect of disputed obligations are as under:

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

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

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

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

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Key estimates, assumptions and judgements

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

(i) Income taxes

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

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

Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(iii) Contingent Liabilities

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

(iv) Allowance for impairment of trade receivables

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

(v) Provisions

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

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs)

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

Note:

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

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

3.1 Capital Work-in-Progress**Current Year FY (2023-24)**

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

Previous Year FY (2022-23)

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

Ageing of Capital Work-in-Progress

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

NOTE 4: INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Investments in Equity Instruments - Unquoted (at amortised cost)			
13,193 (P.Y. 13,193) shares of face value ₹100/- each of Tarapur Environment Protection Society	18.72	18.72	18.72
	18.72	18.72	18.72

NOTE 5: LOANS

(₹ in Lakhs)

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

NOTE 6: OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Unsecured, Considered Good unless otherwise stated			
Security Deposits*	18.40	18.69	14.98
Total	18.40	18.69	14.98

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

NOTE 7: NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Advance Tax (Net of provisions)	5.76	10.00	10.81
Total	5.76	10.00	10.81

NOTE 8: INVENTORIES

(₹ in Lakhs)

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

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

NOTE 9: TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
From Others			
Unsecured, Considered good	-	-	14.22
Unsecured, Considered Doubtful	3.21	3.21	3.21
	3.21	3.21	17.43
Less: Impairment for doubtful receivables	-3.21	-3.21	-3.21
Total	-	-	14.22

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

Ageing of Trade Receivables

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due the date of payment					Total
			Less than 6 months	Less than 1 year	Less than 1-2 years	2-3 years	More than 3 years	
Current Year								
i) Undisputed Trade receivable - Considered good	-	-	-	-	-	-	-	-
ii) Undisputed Trade receivable - Credit Impaired	-	-	-	-	-	-	3.21	3.21
Total	-	-	-	-	-	-	3.21	3.21
Previous Year								
i) Undisputed Trade receivable - Considered good	-	-	-	-	-	-	-	-
ii) Undisputed Trade receivable - Credit Impaired	-	-	-	-	-	-	3.21	3.21
Total	-	-	-	-	-	-	3.21	3.21

NOTE 10: CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	April 1, 2022
Cash on hand	0.11	0.38	0.37
Balances with Banks in current accounts	751.80	99.80	856.16
Total	751.91	100.17	856.54

NOTE 11: OTHERS BANK BALANCES

(₹ in Lakhs)

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

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

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

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

NOTE 12: LOANS

(₹ in Lakhs)

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

NOTE 13: OTHERS

(₹ in Lakhs)

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

NOTE 14: OTHER CURRENT ASSETS

(₹ in Lakhs)

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

NOTE 15: SHARE CAPITAL

(₹ in Lakhs)

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

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

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

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

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

15.3 Rights, preferences and restrictions attached to Shares

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

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

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

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

NOTE 16: OTHER EQUITY

(₹ in Lakhs)

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

16.1 Particulars relating to Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Securities Premium (Refer Note No. 16.2)			
Balance at the beginning of the year	34.49	34.49	34.49
Addition/(Deduction) during the year	-	-	-
Balance at the end of the year	34.49	34.49	34.49
General Reserve (Refer Note No. 16.3)			
Balance at the beginning of the year	202.00	202.00	202.00
Addition/(Deduction) during the year	-	-	-
Balance at the end of the year	202.00	202.00	202.00
Retained Earnings (Including Other Comprehensive Income) (Refer Note No. 16.4)			
Balance at the beginning of the year	407.45	620.81	879.48

(₹ in Lakhs)

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

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

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

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

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

NOTE 17: NON-CURRENT PROVISIONS

(₹ in Lakhs)

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

NOTE 18: DEFERRED TAX LIABILITIES/(ASSETS) - NET

(₹ in Lakhs)

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

NOTE 19: TRADE PAYABLES

(₹ in Lakhs)

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

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

Ageing of Trade Payables

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

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

NOTE 20: OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

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

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

NOTE 21: OTHER CURRENT LIABILITIES

(₹ in Lakhs)

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

NOTE 22: PROVISIONS

(₹ in Lakhs)

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

NOTE 23: REVENUE FROM OPERATIONS

(₹ in Lakhs)

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

NOTE 24: OTHER INCOME

(₹ in Lakhs)

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

NOTE 25: COST OF MATERIALS CONSUMED

(₹ in Lakhs)

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

NOTE 26: PURCHASE OF STOCK-IN-TRADE

(₹ in Lakhs)

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

NOTE 27: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

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

NOTE 28: EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

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

NOTE 29: FINANCE COST

(₹ in Lakhs)

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

NOTE 30: DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

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

NOTE 31: OTHER EXPENSES

(₹ in Lakhs)

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

NOTE 32: DISCLOSURE PURSUANT TO IND AS 12 ON "INCOME TAXES"**A. Tax Expenses**

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

Deferred Tax

2023-24

Components and Reconciliation of Deferred Tax (Assets)/Liabilities

(₹ in Lakhs)

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

2022-23

Components and Reconciliation of Deferred Tax (Assets)/Liabilities

(₹ in Lakhs)

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

NOTE 33: IN ACCORDANCE WITH IND AS - 33, "EARNINGS PER SHARE", THE BASIC AND DILUTED EPS HAVE BEEN CALCULATED AS UNDER

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

NOTE 34: SEGMENT REPORTING AS PER IND AS 108

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

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from:		
Outside India	-	-
In India	-	63.71

NOTE 35: RELATED PARTY DISCLOSURES**35.1 Disclosure with respect to Indian Accounting Standard (Ind AS 24) on Related Parties**

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

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

(₹ in Lakhs)

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

(₹ in Lakhs)

Nature of Transaction	Key Management Personnel (KMP)	Enterprise over which KMP is having Significant Influence	Total
Mr. Sunil Merchant	0.55	-	0.55
	(1.10)	-	(1.10)
Mrs. Maithili Siswawala	0.28	-	0.28
	(0.55)	-	(0.55)

Amounts in brackets indicate previous year figures.

NOTE 36: CONTINGENT LIABILITIES/PENDING LITIGATION

(₹ in Lakhs)

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

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

NOTE 37: COMMITMENTS

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

NOTE 38: EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

A. Defined Contribution Plans

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

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

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

(₹ in Lakhs)

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

B. Defined Benefit Plans

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

i) Gratuity

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

ii) Other Defined Benefit plans (Compensated Absences)

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

The provision towards Compensated Absences is as under:

(₹ in Lakhs)

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

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

Interest Risk:

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

Salary Risk:

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

Investment Risk:

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

Mortality Risk:

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

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

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

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

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

NOTE 39: DISCLOSURES ON FINANCIAL INSTRUMENTS

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

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

(a) Financial assets and liabilities:

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

I. Financial assets:

(₹ in Lakhs)

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

II. Financial liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Measured at amortised cost		
Trade payables	2.00	3.14
Lease Obligation	-	-
Other financial liabilities	93.64	13.64
Total	95.63	16.78

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

(b) Capital management

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

(c) Financial risk management:

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

(a) Market risk:

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

(i) Foreign Currency Risk:

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

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

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

Foreign Currency Sensitivity:

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

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

(₹ in Lakhs)

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

Forward foreign exchange contracts

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

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

(II) Interest rate risk:

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

(b) Credit risk:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing

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

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

(c) Liquidity risk:

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

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

(₹ in Lakhs)

Particulars	Less than 1 year	1 Years to 3 Years	3 Years to 5 Years	5 Years and above
As at March 31, 2024				
Trade and other payables	2.00	-	-	-
Lease Obligation	-	-	-	-
Other Financial Liabilities	93.64	-	-	-
Total	95.63	-	-	-

(₹ in Lakhs)

Particulars	Less than 1 year	1 Years to 3 Years	3 Years to 5 Years	5 Years and above
As at March 31, 2023				
Trade and other payables	3.14	-	-	-
Lease Obligation	-	-	-	-
Other Financial Liabilities	13.64	-	-	-
Total	16.78	-	-	-

NOTE 40: ADDITIONAL REGULATORY INFORMATION AS PER SCHEDULE III OF COMPANIES ACT, 2013**1. Ratios**

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

	Numerator	Denominator	2023-2024	2022-2023	% Variance	Reason for Variance
Return on Capital Employed (%)	Profit before Tax + Finance Cost	Average of (Total Equity + Total Debt + Deferred Tax Liabilities)	0.00%	0.00%	7%	Decrease is on account of incurring of operational losses during the year.
Return on Investment (%)	Closing Value of Investment + Dividend during the year - (Opening Value of Investment + Additional Investment during the year)	Opening Value of Investment + (Additional Investment during the year - Dividend during the year)/2	0.00%	-100.00%		Investment is as per stipulation and there is no income earning.

NOTE 41:

Due to manufacturing orders drying up and as a result, the costs becoming higher than the revenue, the Company has incurred losses. To restrict any further erosion of capital due to the losses, the management has undertaken certain cost saving measures and discontinued certain services. The management decided to undertake a planned shutdown of the factory in 2021-22 so that the fixed cost of plant is saved. The manufacturing operations has been shut down from end of November, 2021 and certain workers/labourers were retrenched. During the previous quarter, the Management had filed an application with labour court withdrawing of closure of plant operations and reinstating workers along with payment of their back wages and additional claims if any. The Management of the Company have entered in Memorandum of Settlement on 22nd February 2024 with Workmen employed represented by Shramik Utkarsh Sabha towards full & final settlement of their dues during closure of factory. The Company has paid settlement amount as agreed and adequate provisions are made for outstanding liabilities in terms of said agreement. The plant operations will resume shortly in consultation with the Acquirer. The Company's liquidity

position is very healthy and its liquid assets are far higher than its liabilities. In light of above, the Company does not envisage any threat to going concern status of the Company and hence, the financial results have been prepared on going concern basis.

NOTE 42:

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

NOTE 43:

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

NOTE 44: APPROVAL OF FINANCIALS STATEMENTS

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

As per our report of even date attached

For **NGST & Associates**
Chartered Accountants
Firm's Registration No.:135159W

Bhupendra Gandhi
Partner
Membership No.:122296

Place: Mumbai
Date: May 25, 2024

For and on behalf of the Board of Directors

Sadashiv K. Shetty
Chairman
DIN: 00038681

Raghuram Shetty
Managing Director
DIN: 00038703


Place: Mumbai
Date: May 25, 2024


Sunil Shedge
Chief Financial Officer
PAN No.: AEGPS7390B

Alesha Hakim Khan
Company Secretary
Membership No.: A55659



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