

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAI-ICHI GOSEI CHEMICALS (INDIA) LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021

Report on the Financial Statements:

We have audited the accompanying Ind AS financial statements of **Dai-ichi Gosei Chemicals (India) Limited**, which comprise the Balance sheet as at 31st March 2021, the Statement of the Profit & Loss (including other comprehensive income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and summary of significant accounting policies and other explanatory information (herein referred to as 'Ind AS financial statements).

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 Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility:

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

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 Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 auditor's 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Ind AS, of the financial position of the Company as at 31st March 2021, the financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the Ind AS financial statements:

Note 8 –B (1) in the Ind AS financial statements which indicate that the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

The Company has accumulated losses and its net worth has been substantially eroded.

Report on Other Legal and Regulatory Requirements:

1. As required by the companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we enclose in the Annexure 'A' statement on the matters specified in paragraphs 3 & 4 of the said Order.

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

- a) we have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) in our opinion proper books of account as required by law have been kept by the company so far as appears from our examinations of these books.

- c) the Balance Sheet, Statement of Profit & Loss and the Cash Flow statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account
- d) in our opinion, the Balance sheet and statement of Profit & Loss and cash flow statement comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- e) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, 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 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

UDIN: 21005880AAAABT2329
Place: Mumbai
Date: 05-05-2021

For Mahesh C. Mathur & Co.
Chartered Accountants
Firm Regn No. 105800W

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(Mahesh C. Mathur)
Proprietor
M/No.5880(1963)

**ANNEXURE “A” AS REFERRED TO IN PARAGRAPH 5 OF OUR AUDIT REPORT OF EVEN
DATE ON ACCOUNTS OF DAI-ICHI GOSEI CHEMICALS INDIA LIMITED FOR THE YEAR
ENDED ON 31ST MARCH, 2021**

1. Since the Company does not have any fixed assets, the provisions of clause 3 (i) (a) of the Companies (Auditor’s Report) Order, 2016 are not applicable.
2. Since the Company does not have any fixed assets, the provisions of clause 3 (i) (b) of the Companies (Auditor’s Report) Order, 2016 are not applicable.
3. Since the Company does not have any fixed assets, the provisions of clause 3 (i) (c) of the Companies (Auditor’s Report) Order, 2016 are not applicable.
4. Since the Company did not have any inventory during the year, the provisions of clause 3 (ii) of the Companies (Auditor’s Report) Order, 2016 are not applicable.
5. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) & (c) of the Companies (Auditor’s Report) Order, 2016 are not applicable to the Company.
6. The Company has not granted any loans, secured or unsecured, investments, guarantees and security as per Sec 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (iv) of the Companies (Auditor’s Report) Order, 2016 are not applicable to the Company.
7. Since the Company has not accepted deposits from the public the provisions of clause 3 (v) of the Companies (Auditor’s Report) Order, 2016 are not applicable. According to the information and explanations given to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
8. Since, the Company has not transacted any business, the provisions of clause 3 (vi) of the Companies (Auditor’s Report) Order, 2016 are not applicable to the Company.
9. According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees’ State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Custom Duty, Excise Duty, Goods and Service Tax, Cess and other statutory dues applicable to it. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at 31st March 2021 for a period of more than six months from the date they became payable.
10. According to the information and explanations given to us and the records of the Company examined by us, there are no amounts in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Goods and Service Tax that have not been deposited with the appropriate authorities on account of any dispute.
11. Based on our audit procedures and on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. Since Company has not raised any moneys by way of initial public offer nor taken any term loans. Hence, the provisions of clause 3 (ix) of the Companies (Auditor’s Report) Order, 2016 are not applicable to the Company.
13. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

14. The Company has not paid or provided for any managerial remuneration during the year. Hence, the provisions of clause 3 (xi) of the Companies (Auditor's Report) Order, 2016 are not applicable.
15. The company is not a Nidhi Company and hence, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable.
16. The Transactions with related parties are in compliance with Sec 177 & 188 of the Companies Act 2013 and have been disclosed in the Ind AS Financial Statements as required by the applicable Accounting Standards.
17. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of clause 3 (xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable.
18. The company has not entered into any cash transactions with directors or persons connected with the directors. Hence, the provisions of clause 3 (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable.
19. The company is not required to be registered under Sec 45-IA of the Reserve Bank Act, 1944. Hence, the provisions of clause 3 (xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable.

UDIN: 21005880AAAABT2329
Place: Mumbai
Date: 05/05/2021

For Mahesh C. Mathur & Co.
Chartered Accountants
Firm Regn No. 105800W

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(Mahesh C. Mathur)
Proprietor
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**ANNEXURE “B” AS REFERRED TO IN PARAGRAPH 5 OF OUR AUDIT REPORT OF EVEN
DATE ON ACCOUNTS OF DAI-ICHI GOSEI CHEMICALS INDIA LIMITED FOR THE YEAR
ENDED ON 31ST MARCH, 2021**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Dai-ichi Gosei Chemicals India Limited (“the Company”) as at 31st March, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (c) 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 Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system over financial reporting, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

UDIN: 21005880AAAABT2329
Place: Mumbai
Date: 05/05/2021

For Mahesh C. Mathur & Co.
Chartered Accountants
Firm Regn No. 105800W

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Dai-ichi Gosei Chemicals (India) Ltd.

Balance Sheet as at 31st March,2021

Particulars	Notes	31-03-2021 Rupee	31-03-2020 Rupee
ASSETS			
1 Current assets			
a) Cash and cash equivalents	1	2,31,091	2,34,097
b) Other assets	2	96	96
Total Assets		2,31,187	2,34,193
EQUITY AND LIABILITIES			
1 Equity			
a) Share Capital	3	5,00,000	5,00,000
b) Other Equity	4	(2,78,216)	(2,75,210)
		2,21,784	2,24,790
2 Liabilities			
Current liabilities			
Other Financial Liabilities			
a) Other Liabilities	5	9,403	9,403
Total Equity and Liabilities		2,31,187	2,34,193
Notes to the accounts	8		

As per our report attached
For Mahesh C. Mathur & Co.
Chartered Accountants
Firm Reg. No. 105800W

For and on behalf of the Board
CIN : U24100MH1991PLC059922

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Mahesh C. Mathur
Proprietor
Membership No. 5880 (1963)
UDIN: 21005880AAAABT2329
Place : Mumbai
Date : 05/05/2021

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S. F. Vakil
(Director)
DIN : 00002519

Place : Mumbai
Date : 05/05/2021

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J. F. Vakil
(Director)
DIN : 06645876

Place : Mumbai
Date : 05/05/2021

Dai-ichi Gosei Chemicals (India) Ltd.

Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	Notes	31-03-2021 Rupee	31-03-2020 Rupee
I REVENUE			
II Revenue from operations			
III Other income	6	10,220	11,636
Total Revenue		<u>10,220</u>	<u>11,636</u>
IV EXPENSES			
Other expenses	7	13,226	16,936
Total expenses		<u>13,226</u>	<u>16,936</u>
V Profit/(Loss) before exceptional and extraordinary items and tax		(3,006)	(5,300)
VI Exceptional items			
VII Profit/(Loss) before extraordinary items and tax		(3,006)	(5,300)
VIII Extraordinary items			
IX Profit/(Loss) before tax		(3,006)	(5,300)
X TAX EXPENSES			
i) Less : Current Tax		-	-
ii) Add : Tax adjustment for earlier years		-	-
XI Profit/(Loss) for the period from continuing operations		(3,006)	(5,300)
XII Profit from discontinuing operations			
XIII Less : Tax expenses on discontinuing operations			
XIV Profit/(Loss) from discontinuing operations		-	-
XV Profit/(Loss) for the period		<u>(3,006)</u>	<u>(5,300)</u>
XVI Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurments of posts-employments benefit obligation			
Income tax related to items that will not be reclassified to Profit or Loss			
Other Con UDIN: 21005880AAAABT2329		-	-
XVII Total Comprehensive Income/(Loss) for the period		(3,006)	(5,300)
XVIII Earning per equity share :			
1) Basic		(0.06)	(0.11)
2) Diluted		(0.06)	(0.11)
Notes to the accounts	8		
As per our report attached			

For Mahesh C. Mathur & Co.
Chartered Accountants
Firm Reg. No. 105800W

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Mahesh C. Mathur
Proprietor
Membership No. 5880 (1963)
Place : Mumbai
UDIN: 21005880AAAABT2329
Place : Mumbai
Date : 05/05/2021

For and on behalf of the Board
CIN : U24100MH1991PLC059922

**Shernaz
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S. F. Vakil
(Director)
DIN : 00002519

Place : Mumbai
Date : 05/05/2021

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J. F. Vakil
(Director)
DIN : 06645876

Place : Mumbai
Date : 05/05/2021

Dai-ichi Gosei Chemicals (India) Ltd.**Cash Flow Statement for the year ended 31st Mar 2021**

	2020-21	2019-20
CASH FLOW FROM OPERATING ACTIVITIES :		
A		
Profit / (Loss) as per accounts	(3,006)	(5,300)
Adjustments for :		
Interest Income	10220	11,636
Operating Profit/(Loss)before Working Capital Changes	(13,226)	(16,936)
Adjustments for Increase/(Decrease) in Current Liabilities and provision	-	(11,800)
Adjustments for (Increase)/Decrease in Loan and Advances		
Cash generated from operations	(13,226)	(28,736)
Income tax (net)	-	2,560
Net Cash from Operating Activities	A (13,226)	(26,176)
CASH FLOW FROM INVESTING ACTIVITIES :		
B		
Interest received	10,220	11,636
Purchase of Investments		
Net Cash from Investing Activities	B 10,220	11,636
CASH FLOW FROM FINANCING ACTIVITIES :		
C		
Net Cash from Financing activities	C -	-
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(3,006)	(14,540)
Cash & Cash Equivalents at beginning of the year	2,34,097	2,48,637
Cash & Cash Equivalents at close of the year	2,31,091	2,34,097

Notes :

The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard-3: "Cash Flow Statements"

For Mahesh C. Mathur & Co.
Chartered Accountants
Firm Reg. No. 105800W

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Mahesh C. Mathur
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Membership No. 5880 (1963)
UDIN:21005880AAAABT2329
Place : Mumbai
Date : 05/05/2021

For and on behalf of the Board
CIN : U24100MH1991PLC059922

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S. F. Vakil
(Director)
DIN : 00002519

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J. F. Vakil
(Director)
DIN : 06645876

Place : Mumbai
Date : 05/05/2021

Dai-ichi Gosei Chemicals (India) Ltd.**Schedules annexed to and forming part of accounts
for the year ended 31st March 2021**

Particulars	31-03-2021 Rupee	31-03-2020 Rupee
1 Current assets		
d) Cash and cash equivalents :		
i) Cash and Cash equivalents		
a) Balance with banks	55,704	58,710
b) Cash on hand	387	387
	<u>56,091</u>	<u>59,097</u>
iv) Deposits :		
With more than 12 months maturity	1,75,000	1,75,000
Total	<u>2,31,091</u>	<u>2,34,097</u>
2 Other Assets		
Loan and Advances :		
i) Income Tax (net of provision)	96	96
	<u>96</u>	<u>96</u>
3 Share capital		
Authorised		
50,00,000 (P.Y. : 50,00,000) Equity shares of Rs.10 each.	5,00,00,000	5,00,00,000
Issued, subscribed and paid -up		
50,000 (P.Y : 50,000) Equity shares of Rs.10 each fully paid up.	5,00,000	5,00,000
	<u>5,00,000</u>	<u>5,00,000</u>
(Of the above, 48,500 shares are held by Holding Company - Dai-ichi Karkaria Ltd.)		
The company has only one class of shares referred to as Equity shares of Rs. 10 each. Equity holder is entitled to one vote per share.		
The details of shareholders holding more than 5% shares as at 31/3/21 is set out below :		
Name of share holders	Nos of Shares	Nos of Shares
Dai-ichi Karkaria Ltd.	48,500	48,500
4 UDIN: 21005880AAAABT2329		
f) Surplus		
As per last balance sheet	(2,75,210)	(2,69,910)
Add : Transferred Surplus from Current year statement of and Profit and Loss	(3,006)	(5,300)
Total	<u>(2,78,216)</u>	<u>(2,75,210)</u>
5 Other Financial Liabilities		
Other Liabilities	9,403	9,403
	<u>9,403</u>	<u>9,403</u>

**Schedules annexed to and forming part of accounts
for the year ended 31st March 2021**

Particulars	FY 20-21	FY 19-20
	31-03-2021	31-03-2020
	Rupee	Rupee
6 Other income :		
a) Interest (gross) :		
Banks	10,220	11,636
Others	-	-
Total	<u>10,220</u>	<u>11,636</u>
7 Other expenses :		
Rates and taxes		6,060
Bank charges	826	2,026
Legal and professional fees		-
Audit fees	11,800	8,850
Miscellaneous expenses	600	
Total	<u>13,226</u>	<u>16,936</u>

A - SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF ACCOUNTING:

- i) The financial statements are prepared under historical cost convention and on accrual basis and are in compliance with the Accounting Standards notified under Companies (Accounting Standard rules) 2206 as amended and are in accordance with the requirements of the Companies Act, 2013.
- ii) This is First- time adoption of Ind AS. There is no adjustment due to adoption of Ind AS.

2. FIXED TANGIBLE AND INTANGIBLE ASSETS:

- a) Capitalized at cost of acquisition or construction, including directly attributable charges for bringing the assets to their working conditions for use.
- b) Expenditure relating to existing fixed tangible assets is added to the cost of the assets where it increases the performance /life of the assets as assessed earlier.
- c) Fixed tangible assets are eliminated from financial statements on their disposal.

3. DEPRECIATION:

The Company provides for depreciation on the fixed tangible assets on straight line method for the full year, at the rates prescribed from time to time under Schedule II of the Companies Act, 2013.

4. BORROWING COSTS:

Borrowing costs that are attributable to the acquisitions, constructions or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is an asset which takes a period of twelve months or more to get ready for its intended use or sale. All other borrowing costs are recognized as expense, in the period in which they are incurred.

5. TAXES ON INCOME:

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

At present since the Company is not carrying on any business; there is no transaction for timing difference to account assets/liabilities on this account.

Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

6. FOREIGN CURRENCY

Foreign Currency transactions are accounted for at the rates prevailing on the dates of transactions Foreign currency current assets and current liabilities are reinstated at rates prevailing at the year-end and if the resultant difference is a net gain/loss, the same is credited/debited to the Profit and Loss Account.

Foreign currency assets and liabilities covered by forward contracts are reinstated at the contracted rates.

The exchange differences on settlement/conversion are adjusted to:

- I) Cost of fixed assets, if foreign currency liability relates to fixed assets.
- II) Profit and Loss account in other cases, wherever forward contracts are entered into, the exchange differences are dealt with in Profit and Loss account over the period of contracts.

At present, the Company has no transaction on this account.

7. CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

Accounting for contingencies (gains & losses) arising out of contractual obligations, are made only on the basis of mutual acceptances.

Events occurring after the Balance Sheet date, where material, are considered up-to the date of adoption of the accounts.

B - OTHER NOTES:

1. The Company had been incorporated on 22nd January, 1991 for a proposed project for the manufacture of Polyacrylamide (PAAM). The said project was subsequently transferred to M/s Dai-ichi Karkaria Limited (Promoters) in terms of tripartite agreement dated 28th June, 1994, and the Company has not yet transacted any business. However, the accounts are prepared on a going concern basis since the Board of Directors has plans for undertaking other profitable activities in the near future.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs...Nil/- (Previous year Rs..Nil).

3. Provision has been made for Income-tax in view of the Profit after considering other deductions available under the Income Tax Act, 1961.

4. Balances in Sundry Creditors, Current Liabilities are subject to confirmations, reconciliations and consequent adjustments, if any.

5		2020-21	2019-20
	Expenditure in Foreign Currency (Rs.)	Nil	Nil

6.		2020-21	2019-20
	Earning in Foreign Exchange (Rs.)	Nil	Nil

7. Disclosures as required by Accounting Standard (AS) 18 Related Party Disclosures:

i) List of Related Parties

Sr. No.	Name of Related Parties	Relationship
1	Dai-ichi Karkaria Limited	Holding Company

ii) Disclosure of Related Party Transactions:

Sr. No.	Nature of Transaction	Name of Related Party	Amount (in Rupees)
1	Reimbursement of amount / Receiving of service	Dai-ichi Karkaria Limited	Rs. Nil (P.Y.Rs. Nil)

8. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

9. Previous year's figures have been regrouped/re-classified wherever necessary.

Signatures to Notes

As per our report attached
For Mahesh C. Mathur & Co.
Chartered Accountants
Firm Reg. No. 105800W

**MATHUR MAHESH
CHANDRA** Digitally signed by MATHUR
MAHESH CHANDRA
Date: 2021.05.05 23:07:47
+05'30'

Mahesh C. Mathur
Proprietor
Membership No: 5880 (1963)
Place : Mumbai
Date : 05/05/2021
UDIN:21005880AAAABT2329

For and on behalf of the board
CIN : U24100MH1991PLC059922

**Shernaz
Firoze
Vakil** Digitally signed
by Shernaz
Firoze Vakil
Date: 2021.05.05
21:06:11 +05'30'

S.F. Vakil (Director)
DIN:00002519

**Jahangir
Firoze
Vakil** Digitally signed
by Jahangir
Firoze Vakil
Date: 2021.05.05
21:06:45 +05'30'

J. F. Vakil (Director)
DIN:06645876