

# DACL FINE CHEM LIMITED

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## FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> March 2024

AUDITORS

**K C Mehta & Co** LLP  
Chartered Accountants

Meghdhanush,  
Race Course,  
Vadodara - 390 007

Phone: +91 265 2341626 / 2440400

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E-Mail: [connect@kcmehta.com](mailto:connect@kcmehta.com)

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Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	1,499.72	1,317.65
(b) Capital work-in-progress		-	-
(c) Intangible assets		-	-
<b>(d) Financial Assets</b>			
(i) Investments		-	-
(ii) Others	5	10.01	0.20
(e) Other non-current assets	6	1.39	9.72
<b>Total Non-Current Assets</b>		<b>1,511.12</b>	<b>1,327.57</b>
<b>(2) Current Assets</b>			
(a) Inventories	7	4.94	-
<b>(b) Financial Assets</b>			
(i) Trade receivables	8	6.05	-
(ii) Cash and cash equivalents	9	1.55	3.36
(iii) Other bank balances		-	-
(iv) Others		-	-
(c) Current Tax Assets (Net)	10	0.10	-
(d) Other current assets	11	43.29	-
<b>Total Current Assets</b>		<b>55.94</b>	<b>3.36</b>
<b>TOTAL ASSETS</b>		<b>1,567.05</b>	<b>1,330.93</b>
<b>EQUITY AND LIABILITIES</b>			
(a) Equity Share capital	12	20.00	20.00
(b) Other Equity	13	1,018.54	1,213.98
<b>Total Equity</b>		<b>1,038.54</b>	<b>1,233.98</b>
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Other Non-Current Financial Liabilities	14	68.72	75.15
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)		-	-
<b>Total Non-Current Liabilities</b>		<b>68.72</b>	<b>75.15</b>
<b>(2) Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
<b>(i) Trade payables</b>			
(A) due to micro enterprises and small enterprises		0.32	-
(B) due to other than micro enterprises and small enterprises	15	10.95	0.12
(ii) Other financial liabilities	16	446.11	21.63
(b) Other current liabilities	17	2.41	0.05
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)		-	-
<b>Total Current Liabilities</b>		<b>459.80</b>	<b>21.80</b>
<b>Total Liabilities</b>		<b>528.52</b>	<b>96.95</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,567.05</b>	<b>1,330.93</b>

Significant Accounting Policies and Notes to Financial Statements

1-33

As per our report of even date attached

For and on behalf of the Board

For K C Mehta & Co LLP  
Chartered Accountants  
Firm's Registration No. 106237W/W100829

SHRIPAL SHAH  
Partner  
Membership No. 114988

AMIT MEHTA  
Chairman  
DIN: 00073907

DIPEN RUPARELIA  
Chief Financial Officer

TANMAY GODIAWALA  
Director  
DIN: 07084668

HEMAXI PAWAR  
Company Secretary

Place : Vadodara  
Date : May 21, 2024

Place : Vadodara  
Date : May 21, 2024

**DACL Fine Chem Limited**

**Statement of Profit and Loss For The Year Ended March 31, 2024**

( ₹ in Lakhs )

	Particulars	Note No.	Year ended	
			31st March, 2024	31st March, 2023
			Audited	Audited
<b>I</b>	Revenue from Operations	<b>18</b>	5.13	-
<b>II</b>	Other Income		-	-
<b>III</b>	<b>Total Income (I+II)</b>		5.13	-
<b>IV</b>	<b>EXPENSES</b>			
	Cost of materials consumed	<b>19</b>	11.17	-
	Changes in inventories of finished goods and work-in-progress	<b>20</b>	(4.94)	-
	Employee benefits expense	<b>21</b>	58.04	1.29
	Finance costs	<b>22</b>	23.82	6.60
	Depreciation and Amortisation expense	<b>23</b>	19.29	7.59
	Other expenses	<b>24</b>	93.21	7.96
	<b>Total expenses (IV)</b>		200.57	23.44
<b>V</b>	<b>Profit/(Loss) before tax (III-IV)</b>		(195.45)	(23.44)
<b>VI</b>	<b>Tax expense:</b>			
	(a)Current Tax		-	-
	(b)Deferred Tax		-	-
<b>VII</b>	<b>Profit/(Loss) for the period (V-VI)</b>		(195.45)	(23.44)
<b>VIII</b>	<b>Other Comprehensive Income (OCI)</b>			
	<b>A. Items that will not be reclassified subsequently to profit or loss</b>		-	-
	<b>B. Items that will be reclassified subsequently to profit or loss</b>		-	-
<b>IX</b>	<b>Total Comprehensive Income for the year ((VII+VIII))</b>		(195.45)	(23.44)
<b>X</b>	Earnings per equity share	<b>28</b>		
	Basic & Diluted		(97.72)	(11.72)

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DACL Fine Chem Limited  
Statement of Cash Flows for the Year Ended March 31, 2024

(₹ in Lakhs)

	Particulars	For the Year ended March 31,2024	For the Year ended March 31,2023
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/(Loss) before tax	(195.45)	(23.44)
	<b>Adjustments for:</b>		
	Finance Cost	23.82	6.60
	Depreciation / Amortisation / Impairment of Property, Plant and Equipment and Intangible Assets	19.29	7.59
	<b>Operating Profit/(Loss) before changes in working capital</b>	<b>(152.35)</b>	<b>(9.26)</b>
	<b>Adjustment for (Increase)/Decrease in Operating Assets</b>		
	Trade Receivables	(6.05)	-
	Inventories	(4.94)	-
	Other Financial Assets	(9.81)	-
	Current Tax Assets	(0.10)	-
	Other Current Assets	(43.29)	(0.00)
	Long-term Loans and Advances and Other Non-current Assets	8.33	(9.72)
	<b>Adjustment for Increase/(Decrease) in Operating Liabilities</b>		
	Trade Payables	11.15	0.12
	Other Financial Liabilities	418.06	21.33
	Other Current Liabilities	2.36	0.05
	<b>Cash flow from operations after changes in working capital</b>	<b>223.36</b>	<b>2.54</b>
	Income-tax paid	-	-
	<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>223.36</b>	<b>2.54</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, Plant and Equipment & Capital Work in progress (Refer Note No. 4)	(201.36)	(1,325.23)
	<b>Net Cash Flow from/(used in) Investing Activities</b>	<b>(201.36)</b>	<b>(1,325.23)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Interest Expense	(23.82)	(0.18)
	Transaction Cost for Issuance of Shares through other equity		(14.22)
	Issue of Preference Shares - Series A & Series B (Refer Note No. 4)		1,325.23
	Proceeds from issue of Equity Share Capital		-
	<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>(23.82)</b>	<b>1,310.84</b>
	<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(1.81)</b>	<b>(11.86)</b>
	Cash & Cash Equivalents at beginning of year	3.36	15.22
	<b>Cash and Cash Equivalents at end of year (see Note 1)</b>	<b>1.55</b>	<b>3.36</b>
<b>Notes:</b>			
1	<b>Cash and Cash equivalents comprise of:</b>		
	Cash on hand	-	-
	Balance with Banks	1.55	3.36
	<b>Cash and Cash equivalents</b>	<b>1.55</b>	<b>3.36</b>

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**DACL Fine Chem Limited**  
**Statement of Changes in Equity for the half year ended March 31,2024**

**A. Equity Share Capital** ( ₹ in Lakhs )

Particulars	Amount
Balance as at March 31,2022	20.00
Additions/(Reductions)	-
<b>Balance as at March 31,2023</b>	<b>20.00</b>
Additions/(Reductions)	-
<b>Balance as at March 31,2024</b>	<b>20.00</b>

**B. Other Equity** ( ₹ in Lakhs )

Particulars	Reserves & Surplus		Equity component of compound financial instruments	Total
	Retained Earnings			
Balances as at March 31 2022	(4.87)	-	-	(4.87)
Movement during the year:				
Additions during the year (Refer Note No. 10)	-	1,256.51	1,256.51	1,256.51
Transaction Cost for Issuance of Shares		(14.22)	(14.22)	(14.22)
Profit / (Loss) for the year	(23.44)	-	-	(23.44)
<b>Balances as at March 31 2023</b>	<b>(28.31)</b>	<b>1,242.29</b>	<b>1,242.29</b>	<b>1,213.98</b>
Movement during the year:				
Additions during the year (Refer Note No. 12)				
Transaction Cost for Issuance of Shares				
Profit / (Loss) for the year	(195.45)			(195.45)
<b>Balances as at March 31 2024</b>	<b>(223.76)</b>	<b>1,242.29</b>	<b>1,242.29</b>	<b>1,018.53</b>

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## **DACL Fine Chem Limited**

### **Accompanying Notes to the Financial Statements**

#### **1. Corporate Information**

"DACL Fine Chem Limited" ("the Company") is a domestic public limited company incorporated and domiciled in India and has its registered office at Plot No. 13, PCC Area PO Petrochemicals, Vadodara, Gujarat. The company is engaged in the business of manufacturing, wholesale and retail chemicals in all kinds of chemicals and articles related to the chemical industry.

##### **1.1 Statement of Compliance**

These Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under Section 133 of The Companies Act, 2013 ( the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act as amended from time to time, 2013.

##### **1.2 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended 31<sup>st</sup> March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

##### **1.3 Basis of Preparation**

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments, if any, which have been measured at fair value.

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 two decimal lakhs, unless otherwise indicated.

#### **2. Material Accounting Policies**

##### **(i) Property, Plant and Equipment**

Property, Plant & Equipment (PPE) comprises of Tangible assets and capital work in progress. PPE are stated at cost, net of tax/duty credit availed, if any, after reducing 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 capitalised 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.

As per the internal technical evaluation carried out by the management, the management of the company believes that its Property, Plant & Equipment are of such nature that separate components are not distinctly identifiable having different useful life. And therefore, Component level accounting and reporting is not practically feasible for the company.

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 less their estimated residual value, using the straight-line method over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013. The management believes that the useful lives as assessed best represent the period over which management expects to use these assets.

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:-

<b>Asset Description</b>	<b>Assets Useful life (in Years)</b>
Buildings	30 – 60
Office Equipments	5
Computers	3
Server	6
Furniture and Fixtures	10
Vehicle	8
Plant & Machinery	20

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.

The low value assets costing Rs. 25,000/- or less are fully depreciated (net of residual value) in the year of purchase.

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

## (ii) 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 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 based on stage of completion.
Finished Goods (Including in Transit)	At Cost, comprising of raw material cost, labour cost and appropriate proportion of manufacturing expenses and overheads.
Scrap	At lower of Cost or Net Realisable Value

## (iii) Revenue and Income recognition:

### (a) Revenue from Contracts with Customers

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

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration and customer's right to return the goods and the same represents amounts receivable for goods and services provided in the normal course of business. Revenue also excludes taxes collected from customers. Any retrospective revision in prices is accounted for in the year of such revision.

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.

When sales discount and rebate arrangements result in variable consideration, appropriate estimates are made and estimated variable consideration is recognised as a deduction from revenue at the point of sale (to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not be required). The Company typically uses the expected value method for estimating variable consideration, reflecting that such contracts have similar characteristics and a range of possible outcomes.

The contract asset or a contract liability is recognised when either party to a contract has performed, depending on the relationship between the entity's performance and the customer's payment. When



the company has a present unconditional rights to consideration, it is recognised separately as a receivable.

**(iv) Leases**

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees.

**As a lessee**

The Company’s lease assets primarily consist of lease for land. The Company assesses whether a contract 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.

Right-of-use Assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

**(v) 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) 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.

**(iii) 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 as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date, using Projected Unit Credit method.

**(vi) 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.

**(vii) 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.

#### **(viii) Financial Instruments**

Financial assets and Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

##### **Initial Recognition:**

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Statement of Profit and Loss.

##### **Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

##### **Amortised Cost:**

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Fair Value through OCI:**

A financial asset shall be classified and measured at FVTOCI, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **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.

The Company categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (i) Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities

- (ii) Level 2: Inputs are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (iii) Level 3: Inputs are unobservable for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual right to receive the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**Classification and Subsequent Measurement: Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities at amortised cost:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an

integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Financial liabilities and equity instruments:**

- Classification as debt or equity:  
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
- Equity instruments:  
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.  
Equity instruments issued by a Company are recognised at the proceeds received.

**Derecognition of financial liabilities:**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

**Offsetting:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**(ix) 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.

**(x) 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**

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

## 2 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

Property, Plant and Equipment 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) 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.

#### (iv) Preference Shares

During the year, the Company had issued 1% Optionally Convertible Non-Cumulative Redeemable Preference Shares ("OCRPS") to Diamines and Chemicals Limited ("DACL"), on right basis. The OCRPS are redeemable at par value at maturity, i.e. Series A - 15years and Series B - 20 years from the date of allotment. The Company shall have options to convert the OCRPS into Equity Shares 1 (One) OCRPS of Rs. 10/- each will be converted into 1(One) Equity Share of Rs.10/- each if the option of conversion is exercised by the Issuer. To consider accounting of preference shares as equity or liability depends on the substance of the contractual agreement, rather than its legal form. The Company has issued OCRPS on which the discretion of declaration of dividend is with the issuer. The Company has treated these preference shares as compound financial instrument with separation of estimated dividend payout and residual amount treated as equity.

4. Property, Plant and Equipment (Including Right-of-use Assets)

(₹ in Lakhs)

Particulars	Right-of-use Assets (Lease hold Land)	Building	Vehicle	Furniture	Computer & Server	Office Equipments	Plant & Machinery	Low value	Total
<b>Gross Block</b>									
As at 31st March, 2022	-	-							-
Additions *	1,229.51	95.73							1,325.23
Deductions/Adjustments									-
As at 31st March, 2023	1,229.51	95.73							1,325.23
Additions *	9.57	47.76	14.36	63.72	12.96	19.08	33.72	0.19	201.36
Deductions/Adjustments									-
<b>As at 31st March, 2024</b>	<b>1,239.07</b>	<b>143.49</b>	<b>14.36</b>	<b>63.72</b>	<b>12.96</b>	<b>19.08</b>	<b>33.72</b>	<b>0.19</b>	<b>1,526.59</b>
<b>Accumulated Depreciation</b>									
As at 31st March, 2022	-	-							-
Additions	6.50	1.09						-	7.59
Deductions/Adjustments									-
As at 31st March, 2023	6.50	1.09							7.59
Additions *	13.96	2.25	0.89	1.33	0.23	0.31	0.14	0.18	19.29
Deductions/Adjustments									-
<b>As at 31st March, 2024</b>	<b>20.46</b>	<b>3.34</b>	<b>0.89</b>	<b>1.33</b>	<b>0.23</b>	<b>0.31</b>	<b>0.14</b>	<b>0.18</b>	<b>26.87</b>
<b>Net Block</b>									
Balance as at 31st March, 2023	1,223.01	94.64	-	-	-	-	-	-	1,317.65
<b>Balance as at 31st March, 2024</b>	<b>1,218.61</b>	<b>140.15</b>	<b>13.46</b>	<b>62.39</b>	<b>12.73</b>	<b>18.77</b>	<b>33.58</b>	<b>0.01</b>	<b>1,499.72</b>

\* Addition during the previous year, the Company has purchased Industrial Plot (Leasehold Land and Building) situated at Dahej, Ankleshwar aggregating to ₹ 1325.23 Lakhs from Parent Company. The Company has allotted 1% Optionally Convertible Non Cumulative Redeemable Preference Shares ("OCRPS") in two series viz. Series A: 66,26,160 Preference shares and Series B: 66,26,160 Preference shares, of ₹10 each at par, towards purchase consideration.

4C. Capital work-in-progress

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance as at beginning of the year	-	-
Add: Additions during the year	177.03	-
Less: Transfer to Property, Plant and Equipment	177.03	-
<b>Total</b>	<b>-</b>	<b>-</b>

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at March 31, 2023
(Unsecured, Considered Good unless Otherwise Stated)		
Security Deposits	10.01	0.20
<b>Total</b>	<b>10.01</b>	<b>0.20</b>

6. Other Non-current Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at March 31, 2023
(Unsecured, Considered Good unless Otherwise Stated)		
Capital advances	-	9.72
Prepaid Expenses (Long Term)	1.39	-
<b>Total</b>	<b>1.39</b>	<b>9.72</b>

7. Inventories

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at March 31, 2023
(Unsecured, Considered Good unless Otherwise Stated)		
Raw Materials		
Finished goods	4.94	-
<b>Total</b>	<b>4.94</b>	<b>-</b>

8. Trade Receivable

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at March 31, 2023
(Unsecured, Considered good)		
Others	6.05	-
<b>Total</b>	<b>6.05</b>	<b>-</b>

8(i) Ageing Schedule for Trade receivables

F.Y 2023-24

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment							Total
	Not Due	Less than 6 months	6 months-1 year	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	6.05	-	-	-	-	-	-	6.05
ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-

F.Y 2022-23

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment							Total
	Not Due	Less than 6 months	6 months-1 year	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	-	-	-	-	-	-	-	-
ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-

9. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at March 31, 2023
Balances with Banks		
In current account	1.19	3.36
Cash on Hand	0.37	-
<b>Total</b>	<b>1.55</b>	<b>3.36</b>

10. Current Assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at March 31, 2023
Balances with Government Authorities	0.10	-
<b>Total</b>	<b>0.10</b>	<b>-</b>

11. Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at March 31, 2023
(Unsecured, considered good)		
Advances to Vendors	1.93	0.01
Empoyee Advance	0.15	-
Prepaid Expenses	0.66	-
Balance with Government Authorities		
GST Receivable	40.55	-
<b>Total</b>	<b>43.29</b>	<b>0.01</b>

12. Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at March 31, 2023
<b>Authorised</b>		
10,00,000 (P.Y 10,00,000) Equity Shares of ₹ 10/- each	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>
<b>Issued, Subscribed and Fully Paid Up</b>		
2,00,000 (P.Y 2,00,000) Equity Shares of ₹ 10/- each	20.00	20.00
<b>Total</b>	<b>20.00</b>	<b>20.00</b>

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

Particulars	No. of Shares	Share Capital (₹ in Lakhs)
As at April 1, 2022	2,00,000	20.00
Additions/(Reductions)	-	-
As at March 31, 2023	2,00,000	20.00
As at April 1, 2023	2,00,000	20.00
Additions/(Reductions)	-	-
As at March 31, 2024	2,00,000	20.00



**DACL Fine Chem Limited**  
**Accompanying Notes to the Financial Statements**  
**Right, Preferences and restrictions attached to Equity Shares**

(i) The Company has only one class of Equity shares i.e. equity shares having par value of ₹10 each. Each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Shares held by Holding Company :**

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of Holding	No. of shares	% of Holding
<b>Diamines and Chemicals Limited</b> (All equity shares are held by Diamines and Chemicals Limited ('the holding company') and its nominees)	2,00,000	100.00%	2,00,000	100.00%

**Details of Shareholders holding more than 5 percent share in Company:**

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of Holding	No. of shares	% of Holding
<b>Diamines and Chemicals Limited</b> (All equity shares are held by Diamines and Chemicals Limited ('the holding company') and its nominees)	2,00,000	100.00%	2,00,000	100.00%

**13. Other Equity (₹ in Lakhs)**

Particulars	As at	As at
	31st March, 2024	March 31, 2023
Retained Earnings	(223.75)	(28.31)
Equity component of compound financial instruments	1,242.29	1,242.29
<b>Total</b>	<b>1,018.54</b>	<b>1,213.98</b>

**Particulars relating to Other Equity (₹ in Lakhs)**

Particulars	As at	As at
	31st March, 2024	March 31, 2023
<b>Retained Earnings</b>		
Balance at the beginning of the year	(28.31)	(4.87)
Add: Net Loss for the year	(195.44)	(23.44)
Balance at the end of the year	(223.75)	(28.31)
<b>Equity component of compound financial instruments</b>		
Balance at the beginning of the year	1,242.29	-
Additions/Deductions during the year	-	1,256.51
Less : Transaction Cost for Issuance of Shares	-	(14.22)
Balance at the end of the year	1,242.29	1,242.29
<b>Total</b>	<b>1,018.54</b>	<b>1,213.98</b>

**Description of the nature and purpose of Other Equity**

**Retained Earnings:** Retained Earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves etc. & amount distributed as dividends and related dividend distribution taxes.

**Equity component of compound financial instruments:**

The compound financial instrument relate to the 1% Optionally Convertible Non Cumulative Redeemable Preference Shares ("OCRPS") issued by the company.

**A. Details of authorised, issued, subscribed and paid-up preference share capital (₹ in Lakhs)**

Particulars	As at	As at
	31st March, 2024	March 31, 2023
<b>Authorised</b>		
70,00,000 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each : Series A (P.Y. : 70,00,000)	700.00	700.00
70,00,000 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each : Series B (P.Y. : 70,00,000)	700.00	700.00
<b>Total</b>	<b>1,400.00</b>	<b>1,400.00</b>
<b>Issued, Subscribed and Fully Paid Up</b>		
66,26,160 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each : Series A (P.Y. : 66,26,160)	662.62	662.62
66,26,160 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each : Series B (P.Y. : 66,26,160)	662.62	662.62
<b>Total</b>	<b>1,325.23</b>	<b>1,325.23</b>

**Terms of conversion attached to 1% Optionally Convertible Non Cumulative Redeemable Preference Shares**

(i) 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each : Series A - OCRPS shall be convertible into equity shares at the option of the company, within a period of 15 years based on the valuation report from a approved valuer. The Company shall have options to convert the OCRPS into Equity Shares, 1 (One) OCRPS of ₹ 10/- each will be converted into 1(One) Equity Share of ₹ 10/- each or at the option of Board of Directors of the Company .

(ii) 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each : Series B - - OCRPS shall be convertible into equity shares at the option of the company, within a period of 20 years based on the valuation report from a approved valuer. The Company shall have options to convert the OCRPS into Equity Shares, 1 (One) OCRPS of ₹ 10/- each will be converted into 1(One) Equity Share of ₹ 10/- each or at the option of Board of Directors of the Company .

**Reconciliation of number of preference shares outstanding at the beginning and at the end of reporting period is as**

Particulars	No. of Shares	Share Capital (₹ in Lakhs)
As at April 1, 2022	-	-
Additions/(Reductions)	1,32,52,320	1,325.23
As at March 31, 2023	1,32,52,320	1,325.23
As at April 1, 2023	1,32,52,320	1,325.23
Additions/(Reductions)	-	-
As at March 31, 2024	1,32,52,320	1,325.23

**Terms and Rights, preferences and restrictions attached to the preference shares :**

(i) The Company has preference shares having a par value of ₹ 10/- per share. OCRPS shall carry voting rights at par with existing equity shareholders of the Company.

(ii) During the year, the Company had issued OCRPS to Diamines and Chemicals Limited ("DACL"), on right basis. The OCRPS are at par value at maturity, i.e. Series A - 15 years and Series B - 20 years from the date of allotment. The Company shall have options to convert the OCRPS into Equity Shares. 1 (One) OCRPS of ₹ 10/- each will be converted into 1(One) Equity Share of ₹ 10/- each or at the option of Board of Directors of the Company .

(iii) Right of conversion will be laid with the company. If the company does not exercise conversion option on or before end of OCRPS tenure and redemption is contemplated, in such case, if the aggregate value of equity shares which would have been issued to DACL upon conversion (based on Valuation Report) exceeds the aggregate of (a) consideration paid by DACL towards OCRPS or; (b) any premium to be paid at the time of redemption, the company shall not deny the conversion of OCRPS into equity shares if DACL insists so.

This right of DACL would apply to and can be exercised by DACL in the above referred situation only and redemption value will be based on Valuation report received from Registered Valuer of the company.

DACL Fine Chem Limited  
 Accompanying Notes to the Financial Statements  
 Shares held by Holding Company :

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of Holding	No. of shares	% of Holding
Diamines and Chemicals Limited	1,32,52,320	100.00%	1,32,52,320	100.00%

Details of Shareholders holding more than 5 percent share in Company:

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of Holding	No. of shares	% of Holding
Diamines and Chemicals Limited	1,32,52,320	100.00%	1,32,52,320	0.00%

14. Other Non-Current Financial Liabilities

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Liability component of compound financial instruments *	68.72	75.15
<b>Total</b>	<b>68.72</b>	<b>75.15</b>

\* Represents probable dividend liability on OCRPS

15. Trade Payables

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 :

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2024	March 31, 2023
Micro, Small & Medium Enterprises*	0.32	-
Others	10.95	0.12
<b>Total</b>	<b>11.27</b>	<b>0.12</b>

\* Payment made to suppliers beyond the due date during the year was ₹ Nil (P.Y ₹ Nil). No interest during the year has been paid to Micro, Small and Medium Enterprises as there were no delayed payments. Further, interest accrued and remaining unpaid at the year end is ₹ Nil (P.Y ₹ Nil)

15(i) Ageing Schedule for MSME and other Trade payables

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment *	
	Less than 1 year	Total
	<b>A. Cases where due date of payment is specified</b>	
(i) MSME	0.32	0.32
	(-)	(-)
(ii) Others	10.95	10.95
	(-)	(-)

Amounts in bracket indicate previous year figures.

\* None of the vendors balance falls under category of more than 1 year.

16. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2024	March 31, 2023
Other Payables		
- Others	8.62	0.57
- Related Party (Parent Company)	415.79	21.06
Interest Payable on Adv. From Holding	8.25	-
Interest Payable - Preference Share	13.45	-
<b>Total</b>	<b>446.11</b>	<b>21.63</b>

17. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2024	March 31, 2023
Statutory dues payable	2.33	0.05
Employee Payable	0.07	-
<b>Total</b>	<b>2.41</b>	<b>0.05</b>

18. Revenue From Operations

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2024	March 31, 2023
Sale of products	5.13	-
<b>Total</b>	<b>5.13</b>	<b>-</b>

19. Cost of Materials consumed

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2024	March 31, 2023
Raw Materials Consumed :		
Opening Stock	-	-
Add: Purchases	10.65	-
Less: Closing Stock	-	-
	10.65	-
Packing Materials :		
Opening Stock	-	-
Add: Purchases	0.53	-
Less: Closing Stock	-	-
	0.53	-
<b>Total</b>	<b>11.17</b>	<b>-</b>

20. Changes in Inventories of Finished Goods and Work-In-Progress

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at March 31, 2023
<b>Closing Stock</b>		
Finished Goods	4.94	
Work in Progress	-	
	4.94	-
<b>Less:- Opening Stock</b>		
Finished Goods	-	
Work in Progress	-	
	-	-
<b>(Increase)/Decrease</b>	<b>(4.94)</b>	<b>-</b>

21. Employee Benefits Expense

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at March 31, 2023
Salaries and Wages	57.23	1.21
Contribution to Provident & other Funds	0.20	0.08
Staff Welfare Expenses	0.61	-
<b>Total</b>	<b>58.04</b>	<b>1.29</b>

22. Finance Costs

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at March 31, 2023
Interest expense		
- unwinding of interest on OCRPS	7.03	6.42
- others	16.79	0.18
<b>Total</b>	<b>23.82</b>	<b>6.60</b>

23. Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at March 31, 2023
Depreciation on PPE (Including Right-of-use Assets)	19.29	7.59
<b>Total</b>	<b>19.29</b>	<b>7.59</b>

24. Other Expenses

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at March 31, 2023
Power & Fuel Charges	3.83	1.12
Stores & Spares	0.05	
Insurance Exp	0.02	
Repairs & maintance Exp	0.15	
Rates and Taxes	3.06	0.41
Legal and Professional Fees	62.25	1.76
Auditor's Remuneration		
- Audit Fees	0.70	0.25
Filling Fees	0.22	0.02
Factory Expenses	1.44	
Security Charges	11.53	3.05
Travelling and Motor Car Expenses	2.27	
Miscellaneous expenses	7.69	1.36
<b>Total</b>	<b>93.21</b>	<b>7.96</b>

**DACL Fine Chem Limited**  
**Accompanying Notes to the Financial Statements**

**25. Disclosures on Financial Ratios**

Ratio	Numerator	Denominator	31-Mar-24	31-Mar-23		% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.12	0.15	times	-21.12%	The Variance is due to loan in the current year and simultaneous decrease in cash & cash equivalents in the current year.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	NA	NA			
Debt Service Coverage ratio	Earnings available for debt service (1)	Debt Service (2)	NA	NA			
Return on Equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	-18.82%	-3.75%	%	401.85%	The Variance is primarily due to mobilization/allocation of resources for start of production related activity.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	0.63	NA		-	
Trade Receivable Turnover Ratio	Net Credit Sales (3)	Average Accounts Receivable	0.42	NA		-	
Trade Payable Turnover Ratio	Net Credit Purchases (RM) (4)	Average Trade Payables (RM)	0.47	NA		-	
Net Capital Turnover Ratio	Net Sales (5)	Working Capital (6)	-1.27%	NA		-	No previous year activity hence not comparable
Net Profit ratio	Net Profit	Net Sales (5)	-3811.90%	NA		-	No previous year activity hence not comparable
Return on Capital Employed	Earnings before interest and taxes	Capital Employed (7)	-15.50%	-1.29%	%	1101.60%	The Variance is primarily due to start of production activity/capitalisation resulting in increased loss during the current year.
Return on Investment	Income from invested funds (8)	Average Invested Funds (9)	NA	NA		-	

(1) Profit after taxes + Non-cash operating expenses (like depreciation and other amortizations) + Interest + Other Adjustments (like Loss on sale of PPE)

(2) Interest & Lease Payments + Principal Repayments

(3) Gross Credit Sales - Sales Return

(4) Gross Credit Purchases - Purchase Return

(5) Total Sales - Sales Return

(6) Current Assets - Current Liabilities

(7) Tangible Net Worth + Total Debt + Deferred Tax Liability

(8) Income generated from invested funds represents Interest Income, Actual Gain / (Loss) on Sale of Investments in Shares / Mutual Funds and Notional Gain / (Loss) on unsold Investments in Shares / Mutual Funds

**DACL Fine Chem Limited**  
**Accompanying Notes to the Financial Statements**

**26 Capital and Other Commitments**

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) ₹ NIL (P.Y ₹ 21,35,000)

There is no contingent liability of the company not provided for as at March 31, 2024 (P.Y ₹ Nil).

**27 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
Profit/(Loss) available to equity shareholders ( ₹ in Lakhs )	(195.45)	(23.44)
Weighted Average Number of Equity Shares	2,00,000	2,00,000
<b>Earnings Per Share of ` 10 each</b>		
- Basic	(97.72)	(11.72)
- Diluted	(97.72)	(11.72)

**28 Related Party Disclosures**

**Disclosures in respect of Related Parties transactions:**

(a) Name of related parties and description of their nature of relationship are as under:

**(A) Key Managerial Personnel:**

Mr. Amit M Mehta	Chairman
Mr. G. S. Venkatachalam	Director
Mr. Mohak Mehta	Director
Mr. Tanmay Godiawala	Director

**(B) Holding Company**

Diamines and Chemicals Limited	Holding Company
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The following transactions were carried out with the related parties in ordinary course of business

(b) during the period:

( ₹ in Lakhs )

Nature of Transaction	Holding Company	Total
Issue of Share Capital	NIL	NIL
	-	-
Expenses incurred on behalf of the Company	2.78	2.78
	(5.91)	(5.91)
Interest Payable to	16.68	16.68
	(0.18)	(0.18)
Loan Received from	398.01	398.01
	(15.00)	(15.00)
Purchase of Raw Material	6.84	6.84
	-	-
Purchase of Property, Plant and Equipment	-	-
	(1,325.23)	(1,325.23)
Issue of Preference Shares - Series A	-	-
	(662.62)	(662.62)
Issue of Preference Shares - Series B	-	-
	(662.62)	(662.62)

Amounts in bracket indicate previous year figures.

**Balance outstanding as at March 31 :**

( ₹ in Lakhs )

Payable	Holding Company	Total
Other Payables	430.88	430.88
	21.06	21.06

Amounts in bracket indicate previous year figures.

**29 Financial instruments disclosure**

Given the current level of operations, the following disclosures are made for financial instruments.

The capital structure of the Company consists of total equity (Refer note 9 & 10). The Company is not subject to any externally imposed capital requirements.

**(a) Financial assets and liabilities:**

<b>Categories of financial instruments</b>		<b>( ₹ in Lakhs )</b>	
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	
<b>Financial assets</b>			
<b>Measures at amortised cost</b>			
(a) Cash and cash equivalents	1.55	3.36	
(b) Other financial assets	10.01	0.20	
<b>Financial liabilities</b>			
<b>Measures at amortised cost</b>			
(a) Other Non-Current Financial Liabilities	68.72	75.15	
(b) Trade Payable	10.95	0.12	
(c) Other financial liabilities	446.11	21.63	

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 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 Company monitors capital regularly. The capital structure of the Company as at March 31, 2024 does not include any debt.

**(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 other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents. The company is presently not exposed to market risk, credit risk, liquidity risk etc. as it is yet to commence the operations.

30 The Company do not have any transactions with struck off companies.

31 As matter of prudence and in the absence of strong convincing evidence about availability of future taxable profits, deferred tax asset (DTA) on unused tax losses have been not recognised.

32 The previous year's figures have been regrouped wherever necessary to make it comparable with the current year.

**33 Approval of financial statements**

The financial statements were approved for issue by the Board of Directors in its meeting held on May 21, 2024

As per our report of even date attached

For and on behalf of the Board

For K C Mehta & Co LLP  
Chartered Accountants  
Firm's Registration No. 106237W/W100829

Shripal Shah  
Partner  
Membership No. 114988

AMIT MEHTA  
Chairman  
DIN: 00073907

DIPEN RUPARELIA  
Chief Financial Officer

TANMAY GODIAWALA  
Director  
DIN: 07084668

HEMAXI PAWAR  
Company Secretary

Place : Vadodara  
Date : May 21, 2024

Place : Vadodara  
Date : May 21, 2024