Directors' Report

Dear Members,

The Board of Directors (Board) presents the Annual Report of Amal Speciality Chemicals Ltd together with the audited Financial Statements for the year ended March 31, 2021.

01. Financial results

(₹ *lakhs*)

	2020-21
Revenue from operations	-
Other income	0.24
Total revenue	0.24
Profit before tax	(1.45)
Tax	(0.25)
Profit for the year	(1.20)

02. Performance

The Company was incorporated on October 12, 2020 and is implementing a 300 tpd Sulfuric acid plant.

03. Dividend

The Board does not recommend any dividend on the equity shares for the financial year ended March 31, 2021 in view of loss.

04. Conservation of energy, technology absorption, foreign exchange earnings and outgo

Information required under Section 134 (3)(m) of the Companies Act, 2013 (the Act), read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended from time to time, forms a part of this Report which is given as the Annexure.

05. Insurance

The Company took adequate insurance policies.

06. Risk Management

The Company has identified risks and has initiated a mitigation plan for the same.

07. Internal Financial Controls

The Management assessed the effectiveness of the Internal Financial Controls over financial reporting as of March 31, 2021, and the Board believes that the controls are adequate.

08. Fixed deposits

During 2020-21, the Company did not accept any fixed deposits.

09. Prevention of Sexual Harassment of Women at Workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company framed a Policy on Prevention of Sexual Harassment of Women at Workplace and constituted Internal Complaints Committee. No complaint was received during 2020-21.

10. Loans, guarantees, investments and security

During 2020-21, the Company did not give any loans, provided guarantees or made any investments during the year.

11. Subsidiary, associate and joint venture companies

The Company does not have subsidiary, associate and joint venture entities.

12. Related Party Transactions

All the transactions entered into with the Related Parties were in ordinary course of business and on arm's length basis. Details of such transactions are given at note number 15.2. No transactions were entered into by the Company which required disclosure in Form AOC-2.

13. Corporate Social Responsibility

The provision of Section 135 of the Act are not applicable to the Company.

14. Annual Return

Annual Return for 2020-21 is available for inspection at the registered office of the Company for inspection.

15. Auditors

B R Shah and Associates, Chartered Accountants the Statutory Auditors of the Company, will retire at the conclusion of the ensuring Annual General Meeting (AGM).

The Auditors' Report for the financial year ended March 31, 2021 does not contain any qualification, reservation or adverse remark.

The Report is enclosed with the Financial Statements.

Pursuant to Section 139(1) of the Companies Act, 2013 and Rules made thereunder, the Board recommended the appointment of ______ as the Statutory Auditors for a term of 5 consecutive years from 2021-22 to 2025-26. They have given their consent to act as the Auditors, if appointed.

16. Directors' responsibility statement

Pursuant to Section 134(5) of the Act, the Directors confirm that, to the best of their knowledge and belief:

16.1 In preparation of the financial statement for the financial year ended March 31, 2021, the applicable accounting standards were followed and there are no material departures.

16.2 The Accounting Policies were selected and applied consistently and judgements and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.

16.3 Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

16.4 The attached annual accounts for the year ended March 31, 2021 were prepared on a going concern basis.

16.5 Adequate Internal Financial Controls to be followed by the Company were laid down; and same were adequate and operating effectively.

16.6 Proper systems were devised to ensure compliance with the provisions of all applicable laws and the same were adequate and operating effectively.

17. Directors

17.1 Appointments | Reappointments | Cessations

17.1.1 According to the Articles of Association of the Company, Mr Ankit Mankodi retires by rotation and being eligible offers himself for reappointment at the forthcoming AGM.

17.1.2 Mr Syamal De was appointed as an Additional Directors effective November 22, 2020. The Company received notice in writing from a Member proposing their candidatures for the office of Directors. Their appointments as Directors are proposed to be regularised in the ensuing AGM.

17.2 Policies on appointment and remuneration

The Company will formulate policy on remuneration of Directors as and when it starts paying remuneration to the Directors. The Company appoints directors in accordance with the applicable provisions of the Act.

18. Key Managerial Personnel and other employees

The provision of Section 203 of the Act are not applicable to the Company.

19. Board Meetings and Secretarial standards

The Board met three times during 2020-21. Secretarial standards as applicable to the Company were followed and complied with.

20. Analysis of remuneration

There is no employee who falls within the criteria provided in Sections 134(3)(q) and 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 .

21. Acknowledgements

The Board expresses its sincere thanks to all the stakeholders, regulatory and Government authorities for their support.

For and on behalf of the Board of Directors

Atul
April 21, 2021 Director Director

Annexure to the Directors' Report

1. Conservation of energy, technology absorption and foreign exchange earnings and outgo

1.1 Conservation of energy

1.1.1 Measures taken

nil

1.2 Technology absorption

No major steps were taken during the current year.

1.3 Total foreign exchange used and earned

nil

INDEPENDENT AUDITORS' REPORT

To the Members of Amal Speciality Chemicals Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying financial statements of Amal Speciality Chemicals Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

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, of the state of affairs of the Company as at March 31, 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for 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), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 standalone financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 standalone 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.

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 sub-section (11) of section 143 of the Companies Act 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 it appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), and Cash Flow Statement and changes in equity dealt with by this Report are in agreement with the books of account;

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

(e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has not been paid / provided. Accordingly reporting under section 197 read with Schedule V to the Companies Act, 2013 is not required.

(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 as disclosed in its financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021

For B.R. Shah & Associates
Firm Registration Number: 129053W
Chartered Accountants

Deval Desai
Partner
Membership Number: 132426
UDIN: 21132426AAAADJ9737
Place: Ahmedabad
Date: April 21, 2021

Annexure A to Auditors' Report

Referred to in Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Amal Speciality Chemicals Limited on the financial statements as of and for the period ended March 31, 2021

i) (a) The Company has no fixed assets. Hence the provisions of clause (i) of paragraph 3 of the Order are not applicable.

ii) Company does not hold any inventories and thus the provision of clause 3(ii) of the said order are not applicable.

iii) The Company has not granted any loans secured or unsecured to any parties covered in the register mentioned under Section 189 of the Act. Accordingly, the provisions of Clause 3(iii) of the order are not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the company has not given any loan, guarantee and security to and on behalf of any of its directors as stipulated under section 185 of the Act. Hence, the provisions of section 186 of the Act, with respect to the loans and Investment made are not applicable to the company.

v) The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the companies (Acceptance of deposit) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order is not applicable.

vi) As the company has not yet commenced its the commercial operation. Accordingly, the provisions of clause 3(vi) of the Order is not applicable.

vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the company is not liable to pay Provident Fund, Employees' State Insurance income tax and goods and service tax.

(b) According to the information and explanations given to us, there are no material disputed statutory dues payable in respect of income tax, Goods and service tax, etc. which are outstanding as at March 31, 2021.

viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has neither defaulted in repayment of dues to financial institution or banks nor has it issued any debentures during the year.

ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the period were applied for the purposes for which it is raised.

x) 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 fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year nor have we been informed of any such case by the Management.

xi) The Company has not paid or provided any managerial remuneration. Accordingly the provision of Clause 3(xii) of Order are not applicable to company.

xii) The company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii) All the transaction with related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv) According to the information and explanations given to us and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or any person connected to him.

xvi) The company is not required to be registered under sections 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **B R Shah & Associates**
Firm Registration Number: 129053W
Chartered Accountants

Deval Desai1013
Partner
Membership Number: 132426
UDIN: 21132426AAAADJ9737
Place: Ahmedabad
Date: April 21, 2021

Annexure B to Auditors' Report

Referred to in Annexure referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Amal Speciality Chemicals Limited on the financial statements as of and for the period ended March 31, 2021

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Amal Speciality Chemicals Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the period 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 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 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.

Annexure B to Auditors' Report

Referred to in Annexure referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Amal Speciality Chemicals Limited on the financial statements as of and for the period ended March 31, 2021

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un authorised 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B R Shah & Associates
Firm Registration Number: 129053W
Chartered Accountants

Deval Desai
Partner
Membership Number: 132426
UDIN: 21132426AAAADJ9737

Place: Ahmedabad
Date: April 21, 2021

Amal Speciality Chemicals Ltd
Balance Sheet as at March 31, 2021

(₹ lakhs)

Particulars	Note	As at March 31, 2021
A ASSETS		
1 Non-current assets		
a) Capital work-in-progress	2	477.43
b) Income tax assets (net)	15.3	0.22
c) Other non-current assets	3	262.20
d) Deferred tax asset	15.3	1.52
Total non-current assets		741.37
2 Current assets		
a) Financial assets		
i) Investments	4	20.23
ii) Cash and cash equivalents	5	26.26
b) Other current assets	3	96.50
Total current assets		142.99
Total assets		884.36
B EQUITY AND LIABILITIES		
Equity		
a) Equity share capital	6	500.00
b) Other equity	7	(7.32)
Total equity		492.68
Liabilities		
1 Non-current liabilities		
a) Financial Liabilities		
i) Borrowings	8	244.14
Total non-current liabilities		244.14
2 Current liabilities		
a) Financial liabilities		
i) Trade payables		
Total outstanding dues of		
a) Micro enterprises and small enterprises	9	-
b) Creditors other than micro enterprises and small enterprises	9	0.23
ii) Other financial liabilities	10	145.46
b) Other current liabilities	11	1.85
Total current liabilities		147.54
Total liabilities		391.68
Total equity and liabilities		884.36

The accompanying Notes 1-15 form an integral part of the Financial Statements

In terms of our report attached
For B R Shah & Associates
Firm Registration No: 129053W
Chartered Accountants

Deval Desai
Partner
Membership No : 132426

Ahmedabad
April 21, 2021

For and on behalf of the Board of Directors

Rajeev Kumar
Director

Y S Vyas
Director

A T Mankodi
Director
Atul
April 21, 2021

Amal Speciality Chemicals Ltd
Statement of Profit and Loss
for the period October 12, 2020 to March 31, 2021

(₹ lakhs)

Particulars	Note	2020-21
INCOME		
Revenue from operations		-
Other income	12	0.24
Total income		0.24
EXPENSES		
Finance costs	13	-
Other expenses	14	1.69
Total expenses		1.69
Profit | (loss) before tax		(1.45)
Tax expense		
Current tax	15.3	-
Deferred tax	15.3	(0.25)
Total tax expense		(0.25)
Profit | (loss) for the period		(1.20)
Other comprehensive income		
Items that will not be reclassified to profit | loss		-
Other comprehensive income, net of tax		-
Total comprehensive income for the period		(1.20)
Earnings per equity share		
Basic and diluted earnings ₹ per equity share of ₹ 10 each	15.5	(0.10)

The accompanying Notes 1-15 form an integral part of the Financial Statements

In terms of our report attached
For B R Shah & Associates
Firm Registration No: 129053W
Chartered Accountants

Deval Desai
Partner
Membership No : 132426

Ahmedabad
April 21, 2021

For and on behalf of the Board of Directors

Rajeev Kumar
Director

Y S Vyas
Director

A T Mankodi
Director

Atul
April 21, 2021

Amal Speciality Chemicals Ltd
Statement of changes in equity
for the period ended March 31, 2021

A Equity share capital

(₹ lakhs)

Particulars	Note	Amount
Changes in equity share capital during the period		500.00
As at March 31, 2021	9	500.00

B Other equity

(₹ lakhs)

Particulars	Reserves and surplus	Total other equity
	Retained earnings	
Profit | (loss) for the period	(1.20)	(1.20)
Share issue expenses net of tax	(6.12)	(6.12)
Other comprehensive income, net of tax	-	-
As at March 31, 2021	(7.32)	(7.32)

The accompanying Notes 1-15 form an integral part of the Financial Statements

In terms of our report attached
For B R Shah & Associates
Firm Registration No: 129053W
Chartered Accountants

For and on behalf of the Board of Directors

Rajeev Kumar
Director

Deval Desai
Partner
Membership No : 132426

Y S Vyas
Director

A T Mankodi
Director

Ahmedabad
April 21, 2021

Atul
April 21, 2021

Amal Speciality Chemicals Ltd
Statement of Cash Flows
for the period ended March 31, 2021

(₹ lakhs)

	Particulars		2020-21
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit | (loss) before tax		(1.45)
	Adjustments for:		
	Finance costs		-
	Gain on disposal of current investments measured at FVPL		(0.11)
	Unrealised gain from investments in mutual funds measured at FVPL		(0.13)
	Operating profit | (loss) before change in operating assets and liabilities		(1.69)
	Adjustments for:		
	(Increase) | Decrease in other assets		(96.50)
	Increase | (Decrease) in trade payables		0.23
	Increase | (Decrease) in other financial liabilities		2.33
	Increase | (Decrease) in other current liabilities		1.85
	Cash generated from operations		(93.78)
	Income tax paid (net of refund)		(0.22)
	Net cash used in operating activities	A	**(94.00)**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Payments towards property, plant and equipment (including capital advances)		(595.88)
	Purchase of current investments measured at FVPL (net)		(20.10)
	Income from investments in mutual funds measured at FVPL		0.11
	Net cash used in investing activities	B	**(615.87)**
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Disbursements | (Repayments) of borrowings		244.14
	Proceeds from issue of equity Shares		500.00
	Share issue expenses		(7.39)
	Interest on Loan paid		(0.62)
	Net cash flow from financing activities	C	**736.13**
	Net increase | (decrease) in cash and cash equivalents	A+B+C	**26.26**
	Cash and cash equivalents at the beginning of the period		-
	Cash and cash equivalents at the end of the period		**26.26**

i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows as notified under Companies (Indian Accounting Standards) Rules, 2015, as amended.

The accompanying Notes 1-15 form an integral part of the Financial Statements

In terms of our report attached
For B R Shah & Associates
Firm Registration No: 129053W
Chartered Accountants

Deval Desai
Partner
Membership No : 132426

Ahmedabad
April 21, 2021

For and on behalf of the Board of Directors

Rajeev Kumar
Director

Y S Vyas
Director

A T Mankodi
Director

Atul
April 21, 2021

Notes to the Financial Statements

Background

Amal Speciality Chemicals Ltd (the Company) is a public company limited by shares, incorporated and domiciled in India. The Company is a subsidiary of Amal Ltd. Its registered office is located at O-16 east site offices, Atul, Valsad, Gujarat 396020, India and its principal place of business is located at Ankleshwar 393 002, Gujarat, India.

The Company has been incorporated to deal in manufacturing of bulk chemicals such as Sulphuric acid and Oleum and their downstream products such as Sulphur trioxide. The company is in process to set up manufacturing facility at its principal place of business.

Note 1 Significant accounting policies

This Note provides a list of the significant accounting policies adopted by the Company in preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) **Statement of compliance:**

The Standalone Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.

b) **Basis of preparation:**

i) The Standalone Financial Statements have been prepared on a historical cost basis.

ii) The Standalone Financial Statements have been prepared on accrual and going concern basis.

ii) The Company was incorporated on October 10, 2020. The statement of Profit and Loss has therefore been prepared from October 10, 2020 to March 31, 2021. These being first Financial Statements of the Company, prior period figures are not applicable.

iv) Recent accounting pronouncements:
Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

c) **Foreign currency transactions:**

i) Functional and presentation currency:

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates (functional currency). The Financial Statements of the Company are presented in Indian currency (₹), which is also the functional currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss except that they are deferred in other equity if they relate to qualifying cash flow hedges. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gain | (loss) are presented in the Statement of Profit and Loss on a net basis within other income | (expense).

Non-monetary items that are measured at fair value that are denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss). Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

d) **Income tax:**

Income tax expense comprises current tax and deferred tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

d) Income tax (continued)
Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The Company considers reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment of deferred tax liabilities and realisability of deferred tax assets. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realise the benefits of those deductible differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Company considered whether it has any uncertain tax positions based on past experience pertaining to income taxes including those related to transfer pricing as per Appendix C to Ind AS 12. The Company has determined its tax position based on tax compliance and present judicial pronouncements and accordingly expects that its tax treatments will be accepted by the taxation authorities.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments. The Company assesses whether the Appendix has an impact on its Financial Statements.

e) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

f) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the Effective Interest Rate(EIR) method.

g) Investments and other financial assets:

Classification and measurement:
The Company classifies its financial assets in the following measurement categories:
i) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
ii) Those measured at amortised cost
The classification depends on business model of the Company for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (OCI). For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI.

Debt instruments:

Initial recognition and measurement:
Financial asset is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial asset is recognised initially at fair value plus, in the case of financial asset not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement:
After initial recognition, financial asset is measured at:
i) Fair value (either through FVOCI or through FVPL) or,
ii) Amortised cost
Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

g) Investments and other financial assets (continued)

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss(FVPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary company, associate company and joint venture company at fair value. The Company has elected to present fair value gains and losses on such equity investments through FVPL, and there is no subsequent reclassification of these fair value gains and losses to OCI. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and lease receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables. The Company computes expected lifetime losses based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition:

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset, the asset expires or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised through the Statement of Profit and Loss or other comprehensive income as applicable. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities:

i) Classification as debt or equity:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv) Derecognition:

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

h) **Offsetting financial instruments:**

Financial assets and 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 assets and settle the liabilities simultaneously.

i) **Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

j) **Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

k) **Provisions and contingent liabilities:**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

l) **Earnings per share:**

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Critical estimates and judgements

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

i) Fair value measurements: Note 15.4

ii) Estimation of deferred tax assets: Note 15.3

Notes to the Financial Statements

(₹ lakhs)

Note 2 Property, plant and equipment	As at March 31, 2021
Project development cost	
Purchase of capital goods | services	424.74
Professional fees	40.97
Regulatory and other charges	8.08
Other expenses	3.02
Finance cost	0.62
Capital work-in-progress as at March 31, 2021	**477.43**

(₹ lakhs)

Note 3 Other assets		As at March 31, 2021	
		Current	Non-current
a)	GST receivable	96.50	-
b)	Capital advances	-	262.20
		96.50	**262.20**

(₹ lakhs)

Note 4 Current investment	As at March 31, 2021	
	Number of units	Amount
Investment in mutual funds		
Unquoted		
Investment in mutual funds	551.38	20.23
		20.23
Aggregate amount of unquoted investments		20.23

(₹ lakhs)

Note 5 Cash and cash equivalents		As at March 31, 2021
a)	Balances with banks	
	in current accounts	26.26
b)	Cash on hand	-
		26.26

There are no repatriation restrictions with regard to cash and cash equivalents.

(₹ lakhs)

Note 6 Equity share capital	As at March 31, 2021
Authorised	
50,00,000 equity shares of ₹ 10 each	500.00
	500.00
Issued and subscribed	
50,00,000 equity shares of ₹ 10 each, fully paid-up	500.00
	500.00

a) Rights, preferences and restrictions:

The Company has one class of shares referred to as equity shares having a par value of ₹ 10 each.

i) Equity shares:

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

ii) Dividend:

The dividend proposed by the Board (if any) is subject to the approval of the shareholders in the ensuing Annual General Meeting.

b) Details of shareholders holding more than 5% of equity shares:

No.	Name of the shareholder	As at March 31, 2021	
		Holding %	Number of shares
1	Amal Ltd (Holding Company)	100%	50,00,000

Notes to the Financial Statements

(₹ lakhs)

Note 7 Other equity		As at March 31, 2021
a)	Retained earnings	
	Balance as at the beginning of the period	-
	Add: Loss for the period	(1.20)
	Share issue expenses net of tax	(6.12)
	Balance as at the end of the year	(7.32)
		(7.32)

Nature and purpose of other reserves

a) Retained earnings

Retained earnings are the profits | (loss) that the Company has earned till date.

(₹ lakhs)

Note 8 Borrowings		As at March 31, 2021	
		Current	Non-current
a)	Rupee term loan from Axis Bank (Secured)	-	244.14
		-	**244.14**

i) **Security:**

a) The secured loan is secured by the whole immovable and movable properties including machinery, machinery spares, tools and accessories, inventory and other movable assets both present and future.

b) Corporate Guarantee given by Amal Limited (holding company).

ii) **Interest Rate and Terms of repayment:**

Currently rate of interest is 7.9% (6M MCLR+ 0.55%) and Secured loan is repayable in 20 equal quarterly instalments of ₹250 lakhs each starting from December 31, 2022.

(₹ lakhs)

Note 9 Trade payables			As at March 31, 2021
a)	Total outstanding dues of micro enterprises and small enterprises (refer Note 15.6)		-
b)	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	i)	Related party (refer Note 15.2)	-
	i)	Others	0.23
			0.23
			0.23

(₹ lakhs)

Note 10 Other financial liabilities		As at March 31, 2021	
		Current	Non-current
a)	Security deposits	2.33	-
b)	Creditor for capital goods *	143.13	-
		145.46	-

* Break-up of Creditor for capital goods			(₹ lakhs)
Total outstanding dues of micro enterprises and small enterprises (refer Note 15.6)		86.21	-
Total outstanding dues of creditors other than micro enterprises and small enterprises			
i)	Related party (refer Note15.2)	11.31	-
ii)	Others	45.61	-

(₹ lakhs)

Note 11 Other current liabilities	As at March 31, 2021
Statutory dues	1.80
Other payables	0.05
	1.85

(₹ lakhs)

Note 12 Other income	2020-21
Income from investments in mutual funds measured at FVPL	0.24
	0.24

(₹ lakhs)

Note 13 Finance costs	2020-21
Interest on borrowings - secured loan	0.57
Other finance costs	0.05
	0.62
Less: Amount capitalised	0.62
	-

(₹ lakhs)

Note 14 Other expenses	2020-21
Legal and professional expenses	1.28
Remuneration to the Statutory Auditors	
a) Audit fees	0.20
Miscellaneous expenses	0.21
	1.69

Note 15.1 Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period, but not recognised as liabilities, is as follows:

(₹ lakhs)

Particulars	As at March 31, 2021
Estimated amount of contracts remaining to be executed and not provided for (net of advances):	
For purchase of property, plant and equipment	2446.26

Note 15.2 Related party disclosures

Note 15.2 (A) Related party information

Name of the related party and nature of relationship

No.	Name of the related party	Description of relationship
1	Amal Ltd	Holding Company
2	Atul Ltd	Ultimate Holding company
3	Key Management Personnel	
	R Kumar	Director
	Y S Vyas	Director
	A T Mankodi	Director

(₹ lakhs)

Note 15.2 (B) Transactions with related parties			2020-21
a)	Purchases and expenses		
	1	Service charges	6.30
		Atul Ltd	6.30
	2	Reimbursement of expenses	218.32
		Amal Ltd	218.32
b)	Other transactions		
	1	Equity contribution	500.00
		Amal Ltd	500.00

(₹ lakhs)

Note 15.2 (C) Outstanding balances		As at March 31, 2021
With related parties		
1	Payables	11.31
	Amal Ltd	4.50
	Atul Ltd	6.81

Note 15.3 Current and deferred tax

a) Income tax expense recognised in the Statement of Profit or Loss:

(₹ lakhs)

Particulars		2020-21
i)	Current tax	
	Current tax on profit for the year	-
	Total current tax expense	-
ii)	Deferred tax	
	Decrease | (Increase) in deferred tax assets	(1.52)
	Amounts recognised directly in equity	1.27
	Total deferred tax expense | (benefit)	(0.25)
	Income tax expense | (benefit)	**(0.25)**

b) The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

Particulars			2020-21
a)	Statutory income tax rate		17.16%
b)	Differences due to:		
	i)	Non-deductible expenses	0.00%
	ii)	Exempt income	0.00%
	Effective income tax rate		**17.16%**

c) Current tax assets

(₹ lakhs)

Particulars	As at March 31, 2021
Opening balance	-
Add: Taxes paid in advance	0.22
Less: Current tax provision	-
Closing balance	**0.22**

Note 15.3 Current and deferred tax (continued)

d) Deferred tax Assets (net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities | (assets):

i) Amounts recognised directly in equity

(₹ lakhs)

Particulars	March 31, 2021
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity:	
Deferred tax: share-issue transaction costs	1.27
	1.27

ii) Tax losses

(₹ lakhs)

Particulars	March 31, 2021
Deferred tax: Tax Loss	0.25
	0.25

Note 15.4 Fair value measurements

Financial instruments by category

Particulars	As at March 31, 2021		
	FVPL	FVOCI	Amortised cost
Financial assets			
Investments:			
Mutual funds	20.23	-	-
Cash and bank balances	-	-	26.26
Total financial assets	**20.23**	-	**26.26**
Financial liabilities			
Trade payables	-	-	0.23
Borrowings			244.14
Other financial liability	-	-	145.46
Total financial liabilities	-	-	**535.29**

a) **Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the 3 levels prescribed in the Indian Accounting Standard. An explanation of each level follows underneath the table:

(₹ lakhs)

i) Financial assets and liabilities measured at fair value as at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL:				
Mutual funds at FVPL	-	20.23	-	20.23
Total financial assets	-	**20.23**	-	**20.23**

Level 1: This hierarchy includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded on the Stock Exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

b) **Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments include:

i) the use of quoted market prices or dealer quotes for similar instruments

ii) the fair value of the remaining financial instruments is determined using discounted cash flow analysis

d) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2021
	Carrying amount | Fair value
Financial assets	
Total financial assets	-
Financial liabilities	
Borrowings	244.14
Total financial liabilities	**244.14**

Note 15.4 Fair value measurements (continued)

The carrying amounts of cash and cash equivalents, trade payables, payable towards expenses and retention payable are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 15.5 Earnings per share

Earnings per share (EPS) - The numerators and denominators used to calculate basic and diluted EPS:

Particulars		2020-21
Profit / (loss) for the year attributable to the equity shareholders	₹ lakhs	(1.20)
Weighted average number of equity shares outstanding for basic and diluted EPS	Number	12,53,509
Basic and diluted EPS	₹	(0.10)
Nominal value of equity share	₹	10

Note 15.6 Disclosure requirement under MSMED Act, 2006

The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	86.21
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-
Further interest remaining due and payable for earlier years	-

Above disclosures have been made based on information available with the Company, for suppliers who are registered as Micro, Small and Medium Enterprise under 'The Micro, Small and Medium Enterprise Development Act, 2006- as amended' as at March 31, 2021. The auditors have relied upon in respect of this matter.

Note 15.7 Expenditure on Corporate Social Responsibility initiatives

a) Gross amount required to be spent by the Company during the year is ₹ Nil

Note 15.8 Uncertain tax position:

The Company has assessed no major uncertain tax position as per Ind AS 12 uncertain tax position

Note 15.9 Rounding off

All amounts are rounded off to the nearest thousand unless otherwise stated.

Note 15.10 Authorisation for issue of the Financial Statements

The financial statements were authorised for issue by the Board of Directors on April 21, 2021.

In terms of our report attached
For B R Shah & Associates
Firm Registration No: 129053W
Chartered Accountants

Deval Desai
Partner
Membership No : 132426

Ahmedabad
April 21, 2021

For and on behalf of the Board of Directors

Rajeev Kumar
Director

Y S Vyas
Director

A T Mankodi
Director

Atul
April 21, 2021