

VEERAL ADDITIVES PRIVATE LIMITED

STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2021

KARNAVAT & CO.

CHARTERED ACCOUNTANTS

2A, KITAB MAHAL, 1ST FLOOR, 192, DR. D. N. ROAD,
MUMBAI – 400001

TELEPHONE NO. +9122 4066 6666 (10 LINES)
FAX NO. +9122 4066 6660

Email: karnavataudit@gmail.com
karnavattax@gmail.com

UDIN : 21137686AAAAIH4393

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
VEERAL ADDITIVES PRIVATE LIMITED**

Report on the Audit of Financial Statements

Opinion

We have audited the Financial Statements of **VEERAL ADDITIVES PRIVATE LIMITED** (hereinafter referred to as "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 notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as 'Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "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 financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Act 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.

Emphasis of Matter

We draw your attention to Note No.31 to the Financial Statement for the year ended March 31, 2021, which describes the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our conclusion is not modified in respect of this matter.



(Cont..2)

* 2 *

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the Financial Statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial 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 also responsible for overseeing the Company's financial reporting process.

(Cont..3)



* 3 *

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



(Cont..4)

* 4 *

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 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 Act 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, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

(Cont..5)



* 5 *

- d) In our opinion the aforesaid 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 other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended.
In our opinion and to the best of our information and according to the explanations given to us, the Company is a Private Limited Company and hence provisions of Section 197 of the Act are not applicable to the Company.
- g) 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".
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would have impact on its financial position;
 - The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company.



Place : Mumbai
Dated : August 3, 2021

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

Viral Joshi
(Viral Joshi)
Partner
Membership No. 137686

VEERAL ADDITIVES PRIVATE LIMITED
ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the 'Report on Other Legal and Regulatory Requirements' our report to the members of **VEERAL ADDITIVES PRIVATE LIMITED** ('the Company') for the year ended on March 31, 2021. We report that:

- i. In respect of its fixed assets:
 - (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of fixed assets which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
 - (c) As per the information and explanation given to us by the management, the title deeds of the immovable properties held in the form of Leasehold Land (Note No.4 to the financial statements) are held in the name of the Company.
- ii. In respect of its inventories:

The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. There were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- iii. The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and hence provisions of Clause 3(iii) of the aforesaid 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 granted any loan, or provided security or guarantee and has not made any investment requiring compliance of section 185 and 186 of the Companies Act, 2013, accordingly the provision of paragraph 3 (iv) of the Order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
- vi. In our opinion and according to the information and explanations given to us maintenance of cost records under sub-section (1) of the Section 148 of the Companies Act, 2013 has not been prescribed by the government.



(Cont...2)

* 2 *

- vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, GST, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues applicable to it.

Further, according to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, GST, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues were outstanding, as at 31-03-2021, for a period of more than six months from the date they became payable.

- (b) According to the records of the Company and information and explanations given to us no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess that have not been deposited on account of any disputes.

- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and bank.
- ix. Based on our audit procedures and according to the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Further, term loans have been applied for the purpose for which it is taken.
- 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 instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. The Company is a Private Limited Company and hence provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) of the aforesaid Order are not applicable to the Company.
- xiii. The Company has entered into the transaction with the related parties in compliance with the provisions of the Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS)18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(Cont...3)



* 3 *

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year under audit and hence provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or the persons connected with him and hence provisions of Clause 3(xv) of the aforesaid Order are not applicable to the Company.
- xvi. The Company is not required to be registered Section 45-IA of the Reserve Bank of India Act, 1934 and hence provisions of Clause 3(xvi) of the aforesaid Order are not applicable to the Company.



Place : Mumbai
Dated : August 3, 2021

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

Joshi. Viral. R.
(Viral Joshi)
Partner
Membership No. 137686

VEERAL ADDITIVES PRIVATE LIMITED
ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 2(g) under the 'Report on Other Legal and Regulatory Requirements' of our report to the members of **VEERAL ADDITIVES PRIVATE LIMITED**, ('the Company') for the year ended on March 31, 2021.

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

We report that:

We have audited the internal financial controls over financial reporting of **VEERAL ADDITIVES PRIVATE LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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 Guidance note require that we comply with ethical requirements and plan and perform 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 involved 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



(Cont...2)

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose 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 the transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including 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 control 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.

Disclaimer of Opinion

The information and explanations provided by the management on system of Internal Financial Controls over financial reporting were not complete to enable us to determine if the Company has established adequate Internal Financial Controls over financial reporting and whether such Internal Financial Controls were operating effectively as at March 31, 2021.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.



Place : Mumbai
Dated : August 3, 2021

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

Viral R. Joshi
(Viral Joshi)
Partner
Membership No. 137686

VEERAL ADDITIVES PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As At 31-03-2021 Rs.	As At 31-03-2020 Rs.
I. ASSETS			
1 Non Current Assets			
Property, Plant & Equipments	2	1,29,35,918	1,37,36,047
Capital Work in Progress	2	1,76,21,20,310	1,39,54,49,246
		1,77,50,56,228	1,40,91,85,293
Financial Assets			
Other Financial Assets	3	-	1,61,91,368
Other Non-Current Assets	4	2,62,94,708	2,64,56,096
		2,62,94,708	4,26,47,464
2 Current Assets			
Inventories	5	11,64,26,645	3,19,25,692
Sundry Debtors	6	88,37,524	-
Financial Assets			
Cash and Cash Equivalents	7	19,84,380	57,422
Bank Balances other than Cash & Cash Equivalents	8	1,40,83,010	1,26,18,513
Other Current Assets	9	22,91,57,966	19,49,55,068
		37,04,89,525	23,95,56,695
Total		2,17,18,40,461	1,69,13,89,451
II. EQUITY AND LIABILITIES			
1 Equity			
Equity Share Capital	10	45,00,00,000	45,00,00,000
Other Equities	SOCE	(1,63,07,191)	(27,16,851)
		43,36,92,809	44,72,83,149
2 Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	11	1,59,06,40,000	97,99,78,667
		1,59,06,40,000	97,99,78,667
Current Liabilities			
Financial Liabilities			
Borrowings	12	-	15,66,32,210
Trade Payables	13	3,40,53,327	4,72,30,790
Other Current Liabilities	14	8,69,99,652	4,11,71,263
Provisions	15	2,64,54,673	1,90,93,372
		14,75,07,652	26,41,27,635
Total		2,17,18,40,461	1,69,13,89,451

Significant Accounting Policies
Notes on accounts are an integral part of
the Financial Statements

1

As per our report of even date attached
For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

Viral Joshi
Partner
Membership No. 137686

Place: Mumbai
Date : 03.08.2021
UDIN : 21137686AAAATH4393



For and on behalf of the Board of Directors

Vinod Saraf
Director
DIN : 00076708

Suhas Pai
Company Secretary

Vinati Saraf Mutreja
Director
DIN : 00079184



VEERAL ADDITIVES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	For the year ended 31-03-2021 Rs.	For the year ended 31-03-2020 Rs.
I. INCOME			
Revenue from Merchandise Sales		2,24,94,375	-
Total Revenue		2,24,94,375	-
II. EXPENDITURE			
Cost of Merchandise Purchases	16	2,37,10,954	-
Packing material		2,37,159	-
LD Penal charges		1,21,35,375	-
Freight outward		3,73,525	-
Exchange loss / (gain)		(3,72,298)	-
Total Expenditure		3,60,84,715	-
III. Profit before Tax (I-II)		(1,35,90,340)	-
Less: Tax Expenses		-	-
IV. Profit for the period		(1,35,90,340)	-
Other Comprehensive Income			
A. Items that will not be classified to Profit & Loss			
Actuarial Gain/(Loss) on employee benefits		-	-
B. Items that will be classified to Profit & Loss			
Gain/(Loss) on hedging instruments		-	-
V. Total Comprehensive Income for the period		(1,35,90,340)	-
Earnings per Equity Share (Nominal Value of share Rs. 10/- each)	24		
Basic		(0.30)	-
Diluted		(0.30)	-

Significant Accounting Policies
Notes on accounts are an integral part of
the Financial Statements

1

As per our report of even date attached
For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

Viral Joshi
Partner
Membership No. 137686

Place: Mumbai
Date: 03-08-2021
UDIN : 21137686AAAAH4393



For and on behalf of the Board of Directors

Vinod Saraf
Director
DIN : 00076708

Suhas Pai
Company Secretary

Vinati Saraf Mutreja
Director
DIN : 00079184



Cash Flow Statement for the year ended March 31, 2021

	2020-21 Rs.	2019-20 Rs.
A. Cash Flow From Operating Activities		
Net profit before tax and extraordinary items	(1,35,90,340)	-
Adjustments for:		
Amortization of Property, Plant & Equipments	19,44,310	9,69,277
Operating profit before working capital changes	(1,16,46,030)	9,69,277
Adjustments for:		
(Increase)/Decrease in trade and other receivables	(2,78,96,555)	(18,05,77,741)
(Increase)/Decrease in inventories	(8,45,00,953)	(3,19,25,692)
Increase/(Decrease) in trade and other payables	4,00,12,227	6,94,52,206
Cash generated from operating activities	(8,40,31,311)	(14,20,81,949)
Add : Interest on IT Refund		
Less : Direct taxes (net of refund)	2,55,608	1,10,448
Total cash generated from operating activities	(8,42,86,919)	(14,21,92,398)
Cash generated from prior period items (net)	-	-
Net cash flow from / (used in) operating activities	(8,42,86,919)	(14,21,92,398)
B. Cash Flow From Investing Activities		
Purchase of fixed assets / Capital work in progress	(36,78,15,246)	(81,61,74,833)
Net Cash flow from / (used in) investing activities	(36,78,15,246)	(81,61,74,833)
C. Cash Flow from Financing activities		
Proceeds from borrowings (net)	45,40,29,123	89,10,37,860
Proceeds from Share Application Money	-	(1,64,00,000)
Proceeds from issue of Equity Shares	-	7,88,45,000
Net cash flow / (used in) from financing activities	45,40,29,123	95,34,82,860
Net increase / (decrease) in cash and cash equivalents (A+B+C)	19,26,958	(48,84,371)
Cash and cash equivalent (Opening Balance)	57,422	49,41,793
Cash and cash equivalent (Closing Balance)	19,84,380	57,422

Notes:

1) Cash and cash equivalents comprises of

a) Cash in hand	4,901	6,230
b) Bank balance in current accounts	19,79,479	51,192
	19,84,380	57,422

2) Direct Tax paid are treated as arising from operating activity and not bifurcated in investment and financing activities.

3) Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.

4) Figures in brackets represent outflows.

As per our Report of even date enclosed

For and on behalf of

KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

Viral Joshi

Partner

Membership No. 137686

Place: Mumbai

Date : 03.08.2021

UDIN : 21137686AAAATH4393

For and on behalf of the Board of Directors

Vinod Saraf

Director

DIN : 00076708

Suhas Pai

Company Secretary

Vinati Saraf Mutreja

Director

DIN : 00079184

VEERAL ADDITIVES PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A EQUITY SHARE CAPITAL

For the year ended 31.03.2021

in Rupees

Balance as at 01st April, 2020	Changes in equity share capital during the year	Balance as at 31st March, 2021
45,00,00,000	-	45,00,00,000

For the year ended 31.03.2020

Balance as at 01st April, 2019	Changes in equity share capital during the year	Balance as at 31st March, 2020
37,11,55,000	7,88,45,000	45,00,00,000

B OTHER EQUITY

For the year ended 31.03.2021

in Rupees

Particular	Retained Earnings	Share application money pending allotment	Total Equity
Balance as at 01st April, 2020	(27,16,851)	-	(27,16,851)
Total Comprehensive Income for the year	(1,35,90,340)	-	(1,35,90,340)
Total Comprehensive Income/(loss) for the year	(1,63,07,191)	-	(1,63,07,191)
Add: Additions during the year	-		-
Less: Share capital issued during the year			-
Balance as at 31st March, 2021	(1,63,07,191)	-	(1,63,07,191)

For the year ended 31.03.2020

Particular	Retained Earnings	Share application money pending allotment	Total Equity
Balance as at 01st April, 2019	(27,16,851)	1,64,00,000	1,36,83,149
Total Comprehensive Income for the year	-	-	-
Total Comprehensive Income/(loss) for the year	(27,16,851)	1,64,00,000	1,36,83,149
Add: Additions during the year	-	6,24,45,000	6,24,45,000
Less: Share capital issued during the year		7,88,45,000	7,88,45,000
Balance as at 31st March, 2020	(27,16,851)	-	(27,16,851)

As per our Report of even date enclosed

For and on behalf of

KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

Viral Joshi

Partner

Membership No. 137686

Place: Mumbai

Date : 03.08.2021

UDIN : 21137686AAAIK4393



For and on behalf of the Board of Directors

Vinod Saraf

Vinod Saraf

Director

DIN : 00076708

Suhas Pai

Company Secretary

Vinati Saraf Mutreja

Vinati Saraf Mutreja

Director

DIN : 00079184



VEERAL ADDITIVES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2021

1 Corporate Information and Significant Accounting Policies

Corporate information

Veeral Additives Private Limited is a Private Limited Company domiciled in India. The Company is engaged in the manufacture of Specialty Chemicals.

Significant Accounting Policies:

a) **Statement of Compliance:**

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

b) **Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

c) **Applicability of new and revised Ind AS:**

a) New amended standards and

- i) Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'.
- ii) Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- iii) Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.
- iv) Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- v) Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.
- vi) Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.
- vii) Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
- viii) Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.
- ix) Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of the amendments has any material impact on the financial statements for the current year.

b) New standards notified and yet to be adopted by the Company - None

d) **Property, Plant and Equipment (PPE)**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 - Property, Plant and Equipment.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.



VEERAL ADDITIVES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2021

e) Depreciation

Depreciation on property, plant and equipment is provided using straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

f) Impairment of non-financial assets - property, plant and equipment and intangible assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

g) Borrowing Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

h) Provision, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also 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.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized.

However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.



VEERAL ADDITIVES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2021

i) Revenue Recognition

Revenue from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

j) Leases

A right-of-use asset representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments is recognized for all leases over 1 year on initial recognition basis. Discounted committed & expected future cash flows and depreciation on the asset portion on straight-line basis & interest on liability portion (net of lease payments) on EIR basis is recognized over the expected lease term. No right-of-use asset is created for short term leases (i.e. lease term less than 1 year) and leases of low value items (i.e. lease of asset with original cost of less than Rs.1 lakh).

k) Retirement and other employee benefits

Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

Post-Employment Benefits

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The cost of providing defined benefit plans such as gratuity is determined on the basis of present value of defined benefits obligation which is computed using the projected unit credit method with independent actuarial valuation made at the end of each annual reporting period, which recognizes each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

l) Income Taxes

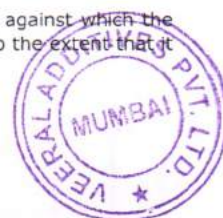
Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the Statement of Profit and Loss. MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.



VEERAL ADDITIVES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2021

m) Earnings Per Share

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

o) 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 recognized at the proceeds received.

p) Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

q) 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such basis. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

q) Current versus Non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

i) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



VEERAL ADDITIVES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2021

ii) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

iii) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

iv) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

Critical accounting judgements 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. 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 assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Useful Lives of Property, Plant & Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

iii) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iv) Provisions

Provisions and liabilities are recognized 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.

v) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vi) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



VEERAL ADDITIVES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2021

Recent accounting pronouncements:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

Following ratios shall be disclosed:

- Current Ratio
- Debt-Equity Ratio
- Debt Service Coverage Ratio
- Return on Equity Ratio
- Inventory Turnover Ratio
- Trade Receivables Turnover Ratio
- Trade Payables Turnover Ratio
- Net Capital Turnover Ratio
- Net Profit Ratio
- Return on Capital Employed
- Return on Investment

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



2. Property, Plant & Equipments

Particular	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK	
	Cost as at 01.04.2020	Additions / Disposals	Other Adjustments	Cost as at 31.03.2021	As at 01.04.2020	For the year	Adjustment / Disposals	As at 31.03.2021
TANGIBLE ASSETS:								
Office Equipments	1,69,199	1,55,079	-	3,24,278	10,897	43,819	-	2,69,562
Air Conditioner	19,47,480	-	-	19,47,480	1,95,479	3,70,021	-	13,81,980
Furniture & Fittings	1,03,94,998	18,717	-	1,04,13,715	3,87,131	9,88,493	-	90,38,091
Computers	9,97,167	1,41,010	-	11,38,177	2,87,548	3,42,551	-	5,08,078
Vehicles	9,98,704	-	-	9,98,704	1,25,094	1,18,596	-	7,55,014
Total (A)	1,45,07,548	3,14,806	-	1,48,22,354	10,06,149	18,63,480	-	1,19,52,725
Previous Year	17,41,674	1,27,65,874	-	1,45,07,548	74,734	9,31,415	-	1,35,01,399
INTANGIBLE ASSETS:								
Licenses & Software	2,82,750	8,29,375	-	11,12,125	48,102	80,830	-	9,83,193
Total (B)	2,82,750	8,29,375	-	11,12,125	48,102	80,830	-	9,83,193
Previous Year	1,72,500	1,10,250	-	2,82,750	10,240	37,862	-	2,34,648
Total (A+B)	1,47,90,298	11,44,181	-	1,59,34,479	10,54,251	19,44,310	-	1,29,35,918
Previous Year	19,14,174	1,28,76,124	-	1,47,90,298	84,974	9,69,277	-	1,37,36,047
CAPITAL WORK IN PROGRESS:	1,39,54,49,245	36,66,71,065	-	1,76,21,20,310	-	-	-	1,76,21,20,310
Previous Year	59,21,50,537	80,32,98,708	-	1,39,54,49,245	-	-	-	1,39,54,49,245



Notes to Financial Statements for the year ended 31st March, 2021

3	Other Financial Non-Current Assets	31-03-2021 Rs.	31-03-2020 Rs.
	Fixed deposits with Bank with original maturity of more than 12 months	-	1,31,91,368
	Margin money against Non - fund based working capital facility	-	30,00,000
	Pledged against Term Loan from AXIS Bank	-	1,61,91,368
4	Other Non-Current Assets	31-03-2021 Rs.	31-03-2020 Rs.
	Prepaid Expenses - Lease	1,34,14,796	1,35,76,184
	Balances with Statutory Government authorities	1,28,79,912	1,28,79,912
		2,62,94,708	2,64,56,096
5	Inventories (as certified by Management) (at lower of cost or net realisable value)	31-03-2021 Rs.	31-03-2020 Rs.
	Raw Material	4,98,45,107	3,02,92,697
	Work in Process	4,61,14,002	-
	Finished Goods	1,70,31,529	-
	Packing Material	6,38,347	5,23,480
	Stores	17,87,909	-
	Fuel	10,09,751	11,09,515
		11,64,26,645	3,19,25,692
6	Trade Receivables	31-03-2021 Rs.	31-03-2020 Rs.
	Outstanding for more than 6 months from the date when they were due for payment	-	-
	Others	88,37,524	-
		88,37,524	-
7	Cash and Cash Equivalents	31-03-2021 Rs.	31-03-2020 Rs.
	Cash on hand	4,901	6,230
	Other Bank Balances In Current Accounts	19,79,479	51,192
		19,84,380	57,422
8	Bank Balances other than Cash & Cash Equivalents	31-03-2021 Rs.	31-03-2020 Rs.
	Fixed Deposits with original maturity for more than 3 months but less than 12 months		
	Pledged against Term Loan from HDFC Bank	43,75,464	69,40,000
	Margin money against Non - fund based working capital facility	91,77,546	56,68,513
	Others	-	10,000
	Current Maturities of Fixed Deposits with original maturity for more than 12 months		
	Margin money against Non - fund based working capital facility	5,30,000	-
		1,40,83,010	1,26,18,513
9	Other Current Assets	31-03-2021 Rs.	31-03-2020 Rs.
	Loans & Advances	71,478	13,980
	Income Tax Deposits	3,85,977	1,30,369
	Advances to Vendors	1,36,69,186	1,14,44,645
	Deposits	41,92,405	1,12,52,323
	Prepaid Expenses	13,64,950	64,64,710
	Accrued Interest	9,24,510	8,32,728
	Receivable from Government authorities	50,67,280	-
	GST Receivable	20,34,82,180	16,48,16,313
		22,91,57,966	19,49,55,068



Notes to Financial Statements for the year ended 31st March, 2021

	31-03-2021 Rs.	31-03-2020 Rs.
10 Equity Share Capital		
Authorised Shares		
4,50,00,000 (31st March, 2020: 4,50,00,000)	45,00,00,000	45,00,00,000
Equity Shares of Rs.10/- each		
	45,00,00,000	45,00,00,000
Issued, Subscribed and fully paid up Shares		
4,50,00,000 (31st March, 2020: 4,50,00,000)	45,00,00,000	45,00,00,000
Equity Shares of Rs.10/- each		
	45,00,00,000	45,00,00,000

a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity Shares:	31-03-2021		31-03-2020	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the period	4,50,00,000	45,00,00,000	3,71,15,500	37,11,55,000
Add: Shares issued during the year	-	-	78,84,500	7,88,45,000
Outstanding at the end of the period	4,50,00,000	45,00,00,000	4,50,00,000	45,00,00,000

b) Shares held by holding/ultimate holding company and/or their subsidiaries/associates:

	31-03-2021 Nos	31-03-2020 Nos
Holding Company		
Name of the Company		
Viral Alkalis Ltd.	2,34,50,000	2,34,50,000
	2,34,50,000	2,34,50,000

c) Details of shareholders holding more than 5% share in the company

Equity shares of Rs 10/ each fully paid Name of the shareholder : Viral Alkalis Ltd. Vinod Saraf Crescent Specialty Chemicals Pvt. Ltd. Trigon Antioxidants Pvt. Ltd.	31-03-2021		31-03-2020	
	Nos.	% of holding	Nos.	% of holding
	2,34,50,000	52.11%	2,34,50,000	52.11%
	2,15,49,900	47.89%	1,25,50,000	27.89%
	-	-	57,21,100	12.71%
	-	-	32,78,900	7.29%

d) Terms/Rights attached to equity shares:

The company has only one class of equity share having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share and dividend per share on pari passu basis. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors except interim dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Director of the Company has recommended Dividend of Rs. Nil per Equity Share for the Financial Year 2020-2021, subject to approval of the members at the ensuing Annual General Meeting. (March 31, 2020 - Rs. Nil).

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

11 Non-Current Borrowings	31-03-2021 Rs.	31-03-2020 Rs.
Secured		
Term Loan - HDFC Bank	34,00,00,000	68,00,00,000
Term Loan - Axis Bank	-	29,99,78,667
Unsecured		
Loan from Related Party - Vinati Organics Ltd.	1,31,86,40,000	-
	1,65,86,40,000	97,99,78,667
Less: Current Maturities of Long Term Borrowings	6,80,00,000	-
	1,59,06,40,000	97,99,78,667

a) Term Loan - HDFC Bank

Nature of security

Pari-passu first charge over Land & Building Located in Industrial Plot No.K-4/2 (plot admeasuring 20000 sq. mtrs.), MIDC, Village - Khalij, Taluka - Mahad, District - Raigad, Maharashtra.

First Pari-passu charge over all movable assets of the Company.

Security at par with the other lenders.

First pari-passu charge over Current assets of the Company, both present and future.

First pari passu charge over and flat residential properties (i) Flat 301 on 3rd floor of building known as Riya Palace situated at plot 62, Swami Samarth Nagar, Andheri West, Mumbai - 400058 (owned by Mr. Vinod Saraf) admeasuring 475 sq ft. carpet area, 590 sq ft Built up area and Flat 302 on 3rd floor of building known as Riya Palace situated at plot 62, Swami Samarth Nagar, Andheri West, Mumbai - 400058 (owned by Mrs. Kavita Saraf) admeasuring 900 sq ft. carpet area, 1090 sq ft Built up area.

Lien marked FD of Rs.69.40 lakhs.

Personal Guarantee of Mr. Vinod Saraf and Mrs. Kavita Saraf (Personal Guarantee of Ms. Kavita Saraf to be limited to value of flat offered as collateral Corporate Guarantee of Viral Alkalis Ltd.

Rate of Interest

The rate of interest is 1 year MCLR + 1.20 % p.a.

Terms of Repayment

Door-to-Door tenor of 84 months including moratorium of 24 months from the date of first disbursement; Principle Repayment - 20 equal quarterly installments; each installment of Rs.34.00 million. Interest servicing on monthly basis. First Installment will start from the end of 24th month from the date of first disbursement.



Notes to Financial Statements for the year ended 31st March, 2021

12	Current Borrowings	31-03-2021	31-03-2020
		Rs.	Rs.
	Unsecured		
	Short Term Loan - HDFC Bank	-	5,61,00,899
	Secured, Repayable on Demand		
	Cash Credit - HDFC Bank	-	5,05,31,311
	Unsecured, Repayable on Demand		
	Loan from Holding Company- Viral Alkalies Ltd.	-	2,05,00,000
	Loan from Director - Mr. Vinod Saraf	-	2,35,00,000
	Loan from Related Party - Crescent Specialty Chemicals P. Ltd.	-	60,00,000
		-	15,66,32,210

a) **Cash Credit - HDFC Bank**
Nature of security
First Pari-pasu charge over current assets of the Company.

Second Pari-pasu charge over Land & Building Located in Industrial Plot No.K-4/2 (plot admeasuring 20000 sq. mtrs.), MIDC, Village - Khalij, Taluka - Mahad, District - Raigad, Maharashtra.

Personal Guarantee of Vinod Saraf.

13	Trade Payables	31-03-2021	31-03-2020
		Rs.	Rs.
	Trade Payables		
	Due to Micro, Small and Medium Enterprises (Refer Note No. 28)	45,65,777	1,36,65,936
	Due to Other Enterprises	2,94,87,550	3,35,64,854
		3,40,53,327	4,72,30,790

14	Other Current Liabilities:	31-03-2021	31-03-2020
		Rs.	Rs.
	Current Maturities of Long Term Borrowings	6,80,00,000	-
	Retention Money	1,48,51,055	3,69,72,216
	GST Payable	3,77,647	1,19,474
	Profession Tax Payable	23,675	15,275
	TDS Payable	11,80,076	9,89,927
	PF Payable	5,53,300	60,216
	ESIC payable	6,010	-
	Expenses Payable	7,677	94,581
	Advance received from Customers/ others	212	14,19,574
	Deposit - Distributor	20,00,000	15,00,000
		8,69,99,652	4,11,71,263

15	Current Provisions	31-03-2021	31-03-2020
		Rs.	Rs.
	Provision for Audit Fees	37,000	1,12,500
	Salary and Reimbursements	55,57,082	46,54,807
	Interest on Term Loans	24,40,246	78,24,826
	Interest on Unsecured Loans	70,18,406	2,15,902
	Leave Encashment	24,96,530	15,36,540
	Gratuity	18,55,463	8,98,305
	Power Charges	62,18,414	33,58,794
	Water charges	2,22,024	-
	Professional Fees	18,500	1,35,000
	Rates & Taxes	-	1,66,666
	Wages Payable	2,81,884	46,950
	Interest on Security Deposit	1,52,847	50,819
	Insurance charges	1,11,892	-
	Other Expenses	44,385	92,263
		2,64,54,673	1,90,93,372



Notes to Financial Statements for the year ended 31st March, 2021

16 Cost of Merchandise Purchases

Particulars	31-03-2021	31-03-2020
Purchases - Imports	2,11,27,111	-
Customs Duty	17,86,830	-
Freight & Import clearing	7,97,013	-
Total	2,37,10,954	-

17 Capitalisation of Expenditure

During the year, the Company has capitalised the following expenses of revenue nature to the cost of Fixed / Capital Work in Progress (CWIP). Consequently expenses disclosed under the respective notes are net of amounts capitalised.

Amounts in Rupees		
Particulars	2020-21	2019-20
<u>Trial Production Expenses (Net)</u>		
Material Consumed	12,80,20,508	-
Electricity Charges	6,67,77,661	97,01,828
Water charges	12,93,436	16,33,156
Fuel Consumed	3,73,57,131	-
Stores Consumed	52,38,228	-
Sales value of Trial Production	(6,77,33,895)	-
Difference in Inventory - In process/ Finished goods	(6,31,45,531)	-
	10,78,07,538	1,13,34,984
Salaries & wages	7,31,12,622	4,44,44,029
Security expenses	36,18,061	26,67,037
Travelling expenses	21,580	30,32,762
Business guest expenses	2,71,965	4,40,279
Lab trial expenses	78,000	2,95,700
Professional fees	15,07,517	24,85,305
ROC fees	15,650	4,82,800
Registration fees	25,92,397	1,50,923
Staff welfare expenses	8,68,117	6,31,377
Telephone expenses	74,836	1,12,142
Communication expenses	1,14,813	1,13,389
Computer expenses	1,24,026	76,288
Postage	1,24,923	1,26,794
Insurance	43,76,035	11,69,174
Membership fees	1,08,346	1,17,000
Motor car expenses	57,110	9,03,430
Conveyance expenses	21,82,903	11,43,371
Freight outward/ others	8,00,608	-
Agency Termination Charges	12,76,050	-
Exhibition exps	-	13,98,604
Printing & Stationery	1,54,311	1,54,711
Repair & Maintenance exps	24,65,688	62,672
Statutory Audit Fees	1,40,000	1,25,000
Interest on Loans	9,97,54,366	7,58,42,663
Interest on Security deposit	1,10,301	56,466
Duties & taxes	9,90,845	22,14,127
Bank Charges	11,19,005	30,67,017
Depreciation	19,44,310	9,69,277
Rent	4,80,000	4,84,435
Leasehold amortisation	1,61,388	1,61,387
Miscellaneous expenses	1,95,477	2,22,778
Exchange gain/ other income	(13,76,017)	(3,51,858)
Total	30,52,72,771	15,41,34,063



18

Fair Values and Hierarchy

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

Amounts in Rupees

March 31, 2021	Note No.	Carrying Amount			Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets								
Other Financial Assets	3	-	-	-	-	-	-	-
Cash and Cash Equivalents	7	-	-	19,84,380	19,84,380	-	-	19,84,380
Bank Balances other than Cash & Cash Equivalents	8	-	-	1,40,83,010	1,40,83,010	-	-	1,40,83,010
		-	-	1,60,67,390	1,60,67,390	-	-	1,60,67,390
Financial Liabilities								
Borrowings	11 & 12	-	-	1,59,06,40,000	1,59,06,40,000	-	-	1,59,06,40,000
Trade Payables	13	-	-	3,40,53,327	3,40,53,327	-	-	3,40,53,327
		-	-	1,62,46,93,327	1,62,46,93,327	-	-	1,62,46,93,327

i)

ii)

March 31, 2020	Note No.	Carrying Amount			Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets								
Other Financial Assets	3	-	-	1,61,91,368	1,61,91,368	-	-	1,61,91,368
Cash and Cash Equivalents	7	-	-	57,422	57,422	-	-	57,422
Bank Balances other than Cash & Cash Equivalents	8	-	-	1,26,18,513	1,26,18,513	-	-	1,26,18,513
		-	-	2,88,67,303	2,88,67,303	-	-	2,88,67,303
Financial Liabilities								
Borrowings	11 & 12	-	-	1,13,66,10,877	1,13,66,10,877	-	-	1,13,66,10,877
Trade Payables	13	-	-	4,72,30,790	4,72,30,790	-	-	4,72,30,790
		-	-	1,18,38,41,667	1,18,38,41,667	-	-	1,18,38,41,667

B.

Measurement of fair values

Valuation techniques and significant unobservable inputs

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties.



19

Capital Management (Ind AS 1):

For the purpose of Company's Capital Management, capital includes Issued Equity Capital and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

Particulars	As at March 31, 2021	As at March 31, 2020
	Rs.	Rs.
Total Debt (Long Term Debt)	1,59,06,40,000	97,99,78,667
Equity	43,36,92,809	44,72,83,149
Debt to Equity	3.67	2.19

In addition, the Company does not have any financial covenants relating to the borrowing facilities.

20

Financial Risk Management (Ind AS 1):

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets comprises of cash & cash equivalents.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i) Market Risk:

Market Risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. However, the management is not anticipating such as on balance sheet date as the operation of the Company has not started yet.

ii) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers and Balances with Banks.

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Company limits its exposure to credit risk by generally investing only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The trade receivables due as at the year ended 31 March 2021 amounted to Rs.88,37,524. The company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

iii) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Company has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Refer Note	Less than 1 year Rs.	1-3 Years Rs.	3-5 Years Rs.
Borrowings	11 & 12	6,80,00,000 (15,66,32,310)	13,60,00,000 (19,59,95,733)	1,45,46,40,000 (78,39,82,933)
Trade Payable	13	3,40,53,327 (4,72,30,790)	- -	- -

Figures in brackets are in respect of Previous year

21

Income Taxes (Ind AS 12):

- (a) The Company has no tax liability for the year ended March 31, 2021 and accordingly reconciliation of tax expense is not made.
- (b) Due to the uncertainty in the future taxable income, the Company has not recognized Deferred Tax as per Accounting standard-22 "Accounting for Taxes On Income".



22 Disclosures as per IND AS - 19 - Employee Benefits

During the year, the company has recognised the following amounts in the Statement of Profit and Loss:

(in Rupees)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
i) Employer's contribution to Provident Fund and Family Pension Fund* * included in Salaries in Note No. 17.	27,60,382	53,515
ii) Defined benefit obligation:		
a) Leave Encashment - Unfunded	23,84,609	15,36,540
iii) The valuation results for the defined benefit gratuity plan as at 31-3-2021 are produced in the tables below:		

i) Changes in the Present Value of Obligation

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Present Value of Obligation as at the beginning	8,98,305	1,08,475
Current Service Cost	10,52,640	7,56,380
Interest Expense or Cost	64,319	7,420
Actuarial (gain) / loss		
- change in financial assumptions	(69,660)	91,147
- experience variance (i.e. Actual experience vs assumptions)	(90,141)	(65,117)
- change in demographic Assumptions	-	-
Benefits Paid	-	-
Present Value of Obligation as at the end	18,55,463	8,98,305

ii) Changes in the Fair Value of Plan Assets

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Fair Value of Plan Assets as at the beginning	-	-
Investment Income	-	-
Adjustment to opening Fair Value of Plan Asset	-	-
Return on Plan Assets excluding interest income	-	-
Employer's Contribution	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at the end	-	-

iii) Expenses Recognised in the Income Statement

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Current Service Cost	10,52,640	7,56,380
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	64,319	7,420
Expenses Recognised in the Income Statement	11,16,959	7,63,800

iv) Other Comprehensive Income

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Actuarial (gains) / losses		
- change in financial assumptions	(69,660)	91,147
- experience variance (i.e. Actual experience vs assumptions)	(90,141)	(65,117)
- change in demographic Assumptions	-	-
Return on Plan Assets excluding interest income	-	-
Components of defined benefit costs recognised in other comprehensive	(1,59,801)	26,030

v) Actuarial Assumptions**a. Financial Assumptions**

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As on	
	Year Ended 31 March 2021	Year Ended 31 March 2020
Discount rate (per annum)	7.16%	6.84%
Salary growth rate (per annum)	7.00%	7.00%

b. Demographic Assumptions

Particulars	As on	
	Year Ended 31 March 2021	Year Ended 31 March 2020
Mortality Rate	IALM 12-14	IALM 06-08
Attrition Rate	5.00%	5.00%

vi) Amount, Timing and Uncertainty of Future Cash Flows**a. Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As on	
	31 March 2021	31 March 2020
Defined Benefit Obligation (Base)	18,55,463	8,98,305

Particulars	As on 31 March 2021		As on 31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	20,86,523	16,60,260	10,13,106	8,00,826
Salary Growth Rate (- / + 1%)	16,62,390	20,79,742	8,01,886	10,09,692
Attrition Rate (- / + 1%)	19,23,007	17,90,614	9,40,458	8,58,232

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

b. Asset Liability Matching Strategies

The scheme is unfunded.

c. Effect of Plan on Entity's Future Cash Flows

Expected cash flows over the next (valued on undiscounted basis):

1 year
2 to 5 years
6 to 10 years
Above 10 Years

	As on 31 March 2021	As on 31 March 2020
1 year	6,662	3,152
2 to 5 years	1,41,024	16,705
6 to 10 years	3,26,524	2,95,006
Above 10 Years	46,34,686	20,31,354

vii) Movement of Liability : Employee Benefit

Opening balance
Add : Provision for the year
Less : Paid during the year
Closing Balance

	As on 31 March 2021	As on 31 March 2020
Opening balance	8,98,305	1,94,648
Add : Provision for the year	9,57,158	7,03,657
Less : Paid during the year	-	-
Closing Balance	18,55,463	8,98,305



VEERAL ADDITIVES PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2021
23 Related party disclosures (Ind AS 24):
(A) Information about related parties :
(i) Holding company

Viral Alkalies Ltd.

(ii) Key Management Personnel

Mr. Vinod Saraf

(iii) Enterprises owned or significantly influenced by management personnel or their relatives with whom there were transactions during the year:

Vinati Organics Ltd.

Crescent Specialty Chemicals Pvt. Ltd. (upto 30.06.2020)

Trigon Antioxidants Pvt. Ltd. (upto 30.06.2020)

(B) The following transactions were carried out with the related parties in the ordinary course of business:

Nature of Transactions	Amounts in Rupees	
	Year ended 31st March 2021	Year ended 31st March 2020
Holding Company :		
<u>Viral Alkalies Ltd.</u>		
Issue of Equity Shares	-	4,10,56,000
Loan taken	76,33,00,000	2,05,00,000
Repayment made for Loan	78,38,00,000	-
Interest on Loan taken	83,30,252	1,52,012
Purchase of stores	28,264	-
Purchase of packing material	21,000	-
Key Management Personnel		
<u>Vinod Saraf</u>		
Loan taken	50,80,00,000	2,35,00,000
Repayment made for Loan	53,15,00,000	-
Enterprises owned or significantly influenced by management personnel or their relatives		
<u>Vinati Organics Ltd.</u>		
Purchase of Raw Material/ packing material	7,34,55,494	37,33,161
Purchase of Capital Goods	23,02,445	1,97,852
Payment of Rent	4,80,000	4,80,000
Sale of Capital Goods	21,63,333	18,61,569
Sale of Raw material	76,98,074	-
Purchase of General Stores	5,02,916	-
Purchase of Fuel	3,25,54,726	-
Loan Taken	1,31,86,40,000	-
Interest Expense	75,87,466	-
<u>Crescent Specialty Chemical P. Ltd.</u>		
Issue of Equity Shares	-	50,00,000
Loan Taken	-	60,00,000
Repayment of loan taken	60,00,000	-
Interest on Loan taken	1,48,093	71,063
<u>Trigon Antioxidants P. Ltd.</u>		
Issue of Equity Shares	-	3,27,89,000

Closing balance as at	31st March 2021	31st March 2020
Holding Company		
<u>Viral Alkalies Ltd.</u>		
Loan Payable	-	2,05,00,000
Key Management Personnel		
<u>Vinod Saraf</u>		
Loan Payable	-	2,35,00,000
Enterprises owned or significantly influenced by management personnel or their relatives		
<u>Vinati Organics Ltd.</u>		
Loan Payable	1,31,86,40,000	-
Purchase/ sale of Raw Material/ Capital Items/ Fuel etc.	1,57,28,137	38,22,381
Interest on Unsecured Loan Payable	75,87,466	-
<u>Crescent Specialty Chemical P. Ltd.</u>		
Loan Payable	-	60,00,000

Notes :

1. Related Parties are disclosed by the management and relied upon by the auditors.



24

Earnings per Share (EPS) (Ind AS 33):

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Basic & Diluted EPS:		
(i) Net Profit attributable to Equity Shareholders	(1,35,90,340)	-
(ii) Weighted average number of Equity Shares outstanding (Nos.)	4,50,00,000	4,50,00,000
Basic & Diluted EPS (Rs.) (i)/(ii)	(0.30)	-

25

Impairment of Assets: (Ind AS 36)

Based on exercise conduct by the management in respect of impairment of Fixed Assets as required by IND AS 36, the management do not consider to provide for any loss on account of impairment of fixed assets.

26

Contingent Liabilities (Ind AS 37)

Bank Guarantee outstanding amounting to Rs. 90,78,500/- (31st March, 2020 : Rs.46,65,000/-).

Obligation to Export against purchase of Advance Licenses amounting to Rs.20,85,79,779/- (31st March, 2020 : Rs.Nil).

27

Leases (Ind AS 116)

Ind AS 116 did not have any material impact on the financial position of the Company for the year ended March 31, 2021.

The Company has taken office premises under operating lease. The Lease arrangements are generally renewable and cancellable in nature on expiry of the lease period at the option of the Company or the lessor. There is no contingent rent and no escalations clause in the lease agreement.

The lease rent debited to Capital Work in Progress is Rs.4,80,000/- (Pr. Yr. Rs. 4,80,000/-).

28

Disclosures under The Micro, Small & Medium Enterprises Development Act, 2006

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Company are given under and have been relied upon by the auditors.

Particulars	As at 31st March 2021	As at 31st March 2020
Amount outstanding but not due as at year end	45,65,777	1,36,65,936
Amount due but unpaid as at the year end	-	-
Amounts paid after appointed date during the year	-	1,17,307
Amount of interest accrued and unpaid as at year end	-	2,488
The amount of further interest due and payable even in the succeeding year	-	5,496

Note : Other information/ disclosures relating to payments made beyond appointed date, interest accrued and paid and cumulative interest are not applicable, being NIL

29

C.I.F. Value of Imports

Raw Material

31st March 2021	31st March 2020
2,95,94,831	1,95,34,049

30

Expenditure in Foreign Currency

Travelling Expenses

31st March 2021	31st March 2020
-	3,89,260

31

The outbreak of Coronavirus (COVID-19) pandemic globally and in India has resulted in a slowdown of economic activity. The Company has evaluated the impact of this pandemic on its business operations during the year ended March 31, 2021. The pandemic has not materially impacted revenues of the Company for the year ended March 31, 2021.

The extent to which the pandemic will impact Company's results will depend on future developments, which are highly uncertain, including, among things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. Given the uncertainty over the potential macro economic condition, the impact of the global health pandemic may be different from that estimated as at the approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

32

The Board of Directors of the Company at its meeting has considered and approved the Scheme of amalgamation pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 which, inter alia, envisages the amalgamation of the businesses of Veeral Additives Private Limited ('Transferor Company') into Vinati Organics Limited ('Transferee Company') and their respective shareholders pursuant to a scheme of amalgamation and the consequent issue of 16 fully paid up equity shares of 1/- each of the Transferee Company for every 707 fully paid up equity shares of 10/- each held in the Transferor Company, in accordance with the Share Exchange Ratio (as defined in the Scheme) subject to the receipt of requisite statutory and regulatory approvals and various matters consequentially or integrally connected herewith. The Scheme, if approved, will be effective from the Appointed Date (as defined in the Scheme) and operative from the Effective Date (as defined in the Scheme).

33

In the Opinion of the Board of Directors, the Current Assets, Loans & Advances are realisable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

34

a) Figures are rounded off to nearest rupee.

b) Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

As per our report of even date attached

For and on behalf of

KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

Viral Joshi

Partner

Membership No. 137686

Place: Mumbai

Date : 03-08-2021

UDIN : 21137686AAAIAIK4393



For and on behalf of the Board of Directors

Vinod Saraf

Vinod Saraf

Director

DIN : 00076708

Suhas Pai

Suhas Pai

Company Secretary

Vinati Saraf Nutreja

Vinati Saraf Nutreja

Director

DIN : 00079184

