



**INDEPENDENT AUDITORS' REPORT**

**To the Members of NACL Spec-Chem Limited, Hyderabad**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of NACL Spec-Chem Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 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 statement of profit and loss and its cash flows 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 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.

**Information other than Standalone Financials Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the management representation letter, 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 that fact. We have nothing to report in this regard.

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**Management's Responsibility for Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibility 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:

- (a) 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.



- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**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, we give in "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) 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.

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# K Vijayaraghavan & Associates LLP

## Chartered Accountants



- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) 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:
- The Company does not have any pending litigations which would impact its financial position;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For K Vijayaraghavan & Associates LLP  
Chartered Accountants  
Firm Registration No.004718S



Place: Hyderabad  
Date: 19<sup>th</sup> June, 2021

K. Ragunathan  
Partner  
Membership No. 213723  
UDIN : 21213723AAAAGM3318



**Annexure A to the Auditors' Report**

The Annexure referred to in our Independent Auditor's Report to the members of NACL Spec-Chem Limited on the standalone financial statements for the year ended March 31, 2021, we report that:

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets  
  
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of one year. In accordance with this programme, entire fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
  
(c) According to the information and explanation given to us and on the basis of examination of the records of the company, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the company as at balance sheet date.
- ii. The company did not maintain any inventory in the current year.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans, secured or unsecured, to parties listed in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Act, with respect to investments and providing guarantees and securities.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for any of the services rendered by the Company.

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- vii. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and any other statutory dues have generally been regularly deposited with the appropriate authorities.  
According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and any other statutory dues were in arrears as at 31<sup>st</sup> of March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material statutory dues in respect of Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and any other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to bank or debenture holders as at the balance sheet date.
- ix. According to the information and explanation given to us the company has not raised any money by the way of initial public offer or further public offer and the term loans have been applied for the purpose for which they were raised.
- x. According to the information and the explanation given to us and based on the audit procedures performed, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and the explanation given to us and based on the examination of the records of the company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanation given to us, the company is not a Nidhi company. Accordingly paragraph 3(xii) is not applicable to the company.
- xiii. According to the information and the explanation given to us and based on the examination of the records of the company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and the explanation given to us and based on the examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year

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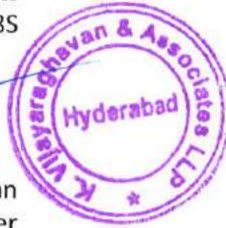


- xv. According to the information and the explanation given to us and based on the examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) is not applicable
- xvi. The company is not required to be registered under Section 45-IA of Reserve Bank of India act, 1934 and accordingly the provisions of the paragraph 3(xiv) of the Order is not applicable to the company.

For K Vijayaraghavan & Associates LLP  
Chartered Accountants  
Firm Registration No.0047185

K. Ragunathan  
Partner

Membership No. 213723  
UDIN : 21213723AAAAGM3318



Place: Hyderabad  
Date: 19<sup>th</sup> June, 2021

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**Annexure B to the Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NACL Spec-Chem Limited of even date)

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

We have audited the internal financial controls over financial reporting of NACL Spec-Chem Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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. 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 respective 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 standalone 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 internal financial controls system over financial reporting of the Company.

#### **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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and

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# K Vijayaraghavan & Associates LLP

## Chartered Accountants



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 K Vijayaraghavan & Associates LLP  
Chartered Accountants  
Firm Registration No.004718S/S200040



**K. Ragunathan**  
Partner

Membership No. 213723  
UDIN: 21213723AAAAGM3318



Place: Hyderabad  
Date:

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**NACL Spec-Chem Limited**  
**Balance Sheet as at 31st March, 2021**  
*(Amount expressed in INR unless otherwise stated)*

Particulars	Notes	March 31, 2021
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	3	11,439
Right of use assets (for lease)	4	29,00,22,315
Capital work-in-progress	3	97,86,189
		<b>29,98,19,943</b>
<b>Current Assets</b>		
Financial Assets		
- Cash and Cash Equivalents	6	1,40,76,331
Other Current Assets	7	1,10,34,178
		<b>2,51,10,509</b>
<b>TOTAL</b>		<b>32,49,30,452</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	8	2,00,00,000
Other Equity	9	(2,78,601)
		<b>1,97,21,399</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
<b>Financial Liabilities</b>		
- Borrowings	10	17,79,15,671
- Trade Payables		-
- Other financial liabilities	11	12,20,84,329
		<b>30,00,00,000</b>
<b>Current Liabilities</b>		
<b>Financial liabilities</b>		
- Borrowings		-
- Trade Payables	12	46,54,053
- Other financial liabilities	11	-
Other Current Liabilities	13	5,55,000
		<b>52,09,053</b>
<b>TOTAL</b>		<b>32,49,30,452</b>

As per our Report of even date

For **K Vijayaraghavan & Associates LLP**  
Chartered Accountants  
Firm Registration No: 0047185/S200040

  
**K. Ragunathan**  
Partner  
Membership No.: 213723




Place: Hyderabad  
Date: June 19, 2021

On behalf of the Board of Directors of  
**NACL Spec-Chem Limited**

  
**Amit Taparia**  
Director  
DIN: 06973894

Place: Hyderabad  
Date: June 19, 2021

  
**Harish C. Bhatnagar**  
Director  
DIN: 03149388



Place: Hyderabad  
Date: June 19, 2021

**NACL Spec-Chem Limited**  
**Profit & Loss Statement for the period ended 31 March, 2021**  
*(Amount expressed in INR unless otherwise stated)*

Particulars	Notes	March 31, 2021
<b>Income</b>		
I. Revenue from Operations		-
II. Other Income	14	1,55,012
<b>III. Total Income (I+II)</b>		<b>1,55,012</b>
<b>IV. Expenses</b>		
Employee Benefit Expenses		-
Finance Cost	15	-
Depreciation	16	595
Other Expenses	17	4,33,018
<b>Total Expenses (III)</b>		<b>4,33,613</b>
V. Profit before exceptional & extra-ordinary items & tax (III-IV)		(2,78,601)
VI. Exceptional Items		-
VII. Profit before extra-ordinary items & tax (V-VI)		(2,78,601)
VIII. Extra-ordinary items		-
<b>IX. Profit before tax (VII-VIII)</b>		<b>(2,78,601)</b>
<b>X. Tax Expense</b>		-
<b>XI. Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>(2,78,601)</b>
XII. Profit/(Loss) from discontinuing operations		
XIII. Tax expense for discontinuing operations		
XIV. Profit/(Loss) from discontinuing operations(after tax) (XII-XIII)		-
<b>XV. Profit/ (Loss) for the period (XI+XIV)</b>		<b>(2,78,601)</b>
XVI. Earnings per equity share	18	
(1) Basic		(0.01)
(2) Diluted		(0.01)

As per our Report of even date

For **K Vijayaraghavan & Associates LLP**  
Chartered Accountants  
Firm Registration No: 004718S/S200040

**K.Ragunathan**  
Partner  
Membership No.: 213723

Place: Hyderabad  
Date: June 19, 2021

On behalf of the Board of Directors of  
**NACL Spec-Chem Limited**

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Director  
DIN: 06973894

Place: Hyderabad  
Date: June 19, 2021

**Harish C. Bijlwan**  
Director  
DIN: 03149388

Place: Hyderabad  
Date: June 19, 2021



*Amit Taparia*



*Harish C. Bijlwan*


**NACL Spec-Chem Limited**  
**Cash Flow Statement for the period ended 31 March, 2021**  
*(Amount expressed in INR unless otherwise stated)*

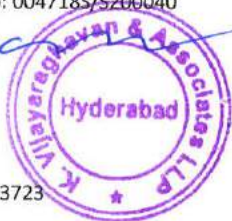
Particulars	31-Mar-21
<b>A. Cash flows from operating activities</b>	
Profit/ (Loss) before taxation	(2,78,601)
<i>Adjustments for:</i>	
Depreciation	595
Ammortisation	-
<b>Operating profit before working capital changes</b>	<b>(2,78,006)</b>
Changes in Working Capital	
(Increase) / decrease in other current assets	(1,10,34,178)
(Increase) / decrease in Right to use assets	(29,00,22,315)
Increase / (decrease) in trade payables	46,54,053
Increase / (decrease) in other Current Liabilities	5,55,000
<b>Cash Generated from Operations</b>	<b>(29,61,25,446)</b>
Less: Tax paid for previous year	-
<b>Net Cash Generated from Operations (A)</b>	<b>(29,61,25,446)</b>
<b>B. Cash flow from Investing Activities</b>	
Investment in property, plant and equipment	(12,034)
Proceeds from sale of property, plant and equipment	
Capital Work-in-progress	(97,86,189)
Movement in other deposits and margin money	-
<b>Net Cash Used in Investing Activities (B)</b>	<b>(97,98,223)</b>
<b>C. Cash flow from Financing Activities</b>	
Proceeds from issue of equity share capital	2,00,00,000
Proceeds from non-current borrowings	30,00,00,000
<b>Net cash used in financing activities (C)</b>	<b>32,00,00,000</b>
<b>Net Increase in cash and cash equivalents ( A + B + C )</b>	<b>1,40,76,331</b>
Cash equivalent at the beginning of the period	-
<b>Cash equivalent at the end of the period</b>	<b>1,40,76,331</b>

As per our Report of even date

For **K Vijayaraghavan & Associates LLP**  
Chartered Accountants  
Firm Registration No: 004718S/S200040

On behalf of the Board of Directors of  
**NACL Spec-Chem Limited**

  
**K. Ragunathan**  
Partner  
Membership No.: 213723



  
**Amit Taparia**  
Director  
DIN: 06973894

  
**Harish C. Bijwan**  
Director  
DIN: 03149388



Place: Hyderabad  
Date: June 19, 2021

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Place: Hyderabad  
Date: June 19, 2021

NACL Spec-Chem Limited  
Statement of changes in equity for the period ended 31-03-2021  
(Amount expressed in INR unless otherwise stated)

A. Equity Share Capital

Particulars	Balance as at 31-03-2021	Changes during the year
Equity Share Capital	2,00,00,000	2,00,00,000

B. Other Equity

Particulars	Balance as at 31-03-2021	Changes during the year
Retained earnings	(2,78,601)	(2,78,601)

As per our Report of even date

For **K Vijayaraghavan & Associates LLP**  
Chartered Accountants  
Firm Registration No: 004718S/S200040

  
**K. Raguathan**  
Partner  
Membership No.: 213723



Place: Hyderabad  
Date: June 19, 2021

On behalf of the Board of Directors of  
**NACL Spec-Chem Limited**

  
**Amit Taparia**  
Director  
DIN: 06973894

Place: Hyderabad  
Date: June 19, 2021

  
**Harish C. Bijlwan**  
Director  
DIN: 03149388



Place: Hyderabad  
Date: June 19, 2021

**NACL Spec-Chem Limited**  
**Significant Accounting Policies**

**1 Company Information**

NACL Spec-chem Limited is a Public Incorporated on 27 April 2020. It is classified as Non-govt company and is registered at Registrar of Companies, Hyderabad. Its authorized share capital is Rs. 20,000,000 and its paid up capital is Rs. 20,000,000. The objects of the company are to manufacture, formulate, process, mine, import, export, purchase, market, sell, barter in, carry on business and otherwise deal in all kinds of chemicals, synthetic and bio-organic pesticides, insecticides, acaricides, weedicides, herbicides, fungicides, nematocides, rodenticides, biological insecticides, bactericides, molluscicides, insect hormones, plant growth chemicals and nutrients, anti feedants, anti-bacterials, repellants, attractants, chemosterllants, bio products, bio-stimulants, bio-control, seed dressing materials, soil, seed and grain fumigants, industrial and agricultural chemicals, including technical pesticides and formulations, including raw materials, intermediates, derivatives, by-products, related compounds and the like, whether in India or abroad.

**2 Significant Accounting Policies**

**a) Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 ('the Act') and the Ind AS notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

**b) Use of estimates**

The preparation of the financial statements is in conformity with Indian GAAP, which requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and such differences are recognised in the period in which the results are ascertained.

**c) Cash flow statement**

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value within a maturity within three months or less from the date of financial liability.

**d) Other Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the enterprise and the amount can be measured reliably.

**e) Property, plant and equipment**

Property, plant and equipment are stated at their original cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress includes advances paid to acquire fixed assets and cost incurred on fixed assets not ready for intended use before the balance sheet date. Subsequent expenditure related to an item of fixed asset and the cost of replacement of spares/ major inspection relating to Property, Plant & Equipment is capitalised/added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When parts of an item of Property, Plant & Equipment have different useful lives, they are accounted for as separate items (major components). All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the profit and loss statement for the year during which such expenses are incurred.

**(f) Leases**

Leases other than finance lease have been classified as operating leases. Leases, where the lesser effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases. Lease payments are recognized as an expense in the Profit and Loss statement based on the terms of lease agreement.

**h) Earnings per share**

Basic & Diluted earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders (after deducting attributable taxes and preference dividend, if any) of the company by weighted average number of equity shares outstanding at the end of financial year.



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NACL Spec-Chem Limited  
 Notes to accounts for the period ended  
 (All Amounts in Rupees unless otherwise stated)

3 Property, plant and equipment

3.1 Carrying Amounts of :

Particulars	31/03/21
Printer	11,439
<b>Total</b>	<b>11,439</b>
Capital Work in Progress	97,86,189

3.2 Movement of Property, Plant and Equipment:

Particulars	Office Equipment
Cost or deemed cost	
Balance as at March 31, 2020	-
Add: Additions	11,439
Less: Disposals	-
<b>Balance as at March 31, 2021</b>	<b>11,439</b>

3.3 Accumulated Depreciation

Particulars	Office Equipment
Cost or deemed cost	
Balance as at March 31, 2020	-
Less: Disposals	-
Add: Depreciation Expense	595
<b>Balance as at March 31, 2021</b>	<b>595</b>

3.4 Carrying Amounts

Particulars	Office Equipment
Balance as at March 31, 2020	-
<b>Balance as at March 31, 2021</b>	<b>11,439</b>

4 Lease Liabilities

The Company has adopted Ind AS 116 "Leases" with the inception of the lease being October 15, 2020 and has discounted lease payments using the incremental borrowing rate for measuring the lease liability.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

Particulars	Amount as on 01-04-2020	Additions	Termination during the year	Amortisation	Carrying Value as on 31-03-2021
Leasehold - Land	-	29,14,16,212	-	(13,93,897)	29,00,22,315

5 Other Financial Assets

Particulars	31/03/21
Security Deposits	-
<b>Total</b>	<b>-</b>

6 Cash And Cash Equivalents

Particulars	31/03/21
Balances with banks	
-In Current accounts	1,40,76,331
Cash on hand	
<b>Total</b>	<b>1,40,76,331</b>

7 Other Assets

Particulars	31/03/21
Non-Current	
<b>Total</b>	<b>-</b>
Current	
Balance with government authorities	97,84,178
Advance to vendors	12,50,000
<b>Total</b>	<b>1,10,34,178</b>



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8 Equity Share capital

Particulars	31/03/21	
	No. of Shares	Amount
<b>Authorised</b>		
200,00,000 Equity shares of ₹ 1 each	2,00,00,000	(2,00,00,000)
<b>authorised share</b>	<b>2,00,00,000</b>	<b>(2,00,00,000)</b>
<b>Issued, subscribed and paid-up capital</b>		
200,00,000 Equity shares of ₹ 1 each	2,00,00,000	(2,00,00,000)
<b>Total of Issued Subscribed and fully paid up share capital</b>	<b>2,00,00,000</b>	<b>(2,00,00,000)</b>

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

Equity shares	31/03/21	
	No of Shares	Value
At the beginning of the period	2,00,00,000	2,00,00,000
Issued during the period	-	-
<b>Outstanding at the end of the period</b>	<b>2,00,00,000</b>	<b>2,00,00,000</b>

(b) The company has only one class of shares referred to as equity shares with a face value of Rs 1/- each.

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

Name of the shareholder	31/03/21	
	%	Number of
NACL Industries Limited (Holding Company)	100.00%	1,99,99,994

9 Other Equity

Particulars	31/03/21
Retained Earnings	(2,78,601)
<b>Total</b>	<b>(2,78,601)</b>

10 Borrowings

Particulars	31/03/21
<b>Non Current</b>	
Compulsory Convertible Debentures (Financial Liability)	(17,79,15,671)
<b>Total Non Current Financial Liabilities</b>	<b>(17,79,15,671)</b>
<b>Current</b>	
-	-
<b>Total Current Financial Liabilities</b>	<b>-</b>
<b>Total</b>	<b>(17,79,15,671)</b>

11 Other Financial Liabilities

Particulars	31/03/21
<b>Non Current</b>	
Compulsory Convertible Debentures (Derivative)	(12,20,84,329)
<b>Total Non Current Financial Liabilities</b>	<b>(12,20,84,329)</b>
<b>Current</b>	
-	-
<b>Total Current Financial Liabilities</b>	<b>-</b>
<b>Total</b>	<b>(12,20,84,329)</b>



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12 Trade payables

Particulars	31/03/21
(A) Total outstanding dues to micro enterprises and small enterprises	
Trade payables	-
(B) Outstanding Dues to Creditors other than Micro Enterprises and Small Enterprises	
Trade payables	46,54,053
<b>Total Financial Liabilities - Trade Payables</b>	<b>46,54,053</b>

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2019. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

Particulars	31/03/21
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	
- Principal	-
- Interest	-
(b) The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.	-
(c) The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	-
<b>Total Due to MSMED Enterprises</b>	<b>-</b>

13 Other Liabilities

Particulars	31/03/21
<b>Non Current</b>	
-	-
<b>Total Non Current Liabilities</b>	<b>-</b>
<b>Current</b>	
Statutory Dues Payable	5,55,000
<b>Total Current Liabilities</b>	<b>5,55,000</b>
<b>Total</b>	<b>5,55,000</b>



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**NACL Spec-Chem Limited**  
**Notes to accounts for the period ended**  
*(All Amounts in Rupees unless otherwise stated)*

**14 Other Income**

Particulars	31-Mar-21
Interest Income	
-On outstanding receivables	
-Others	1,55,012
<b>Total</b>	<b>1,55,012</b>

**15 Finance Cost**

Particulars	31-Mar-21
Interest Expenses	
Interest on short term and long term loans	-
Finance Charges	-
<b>Total</b>	<b>-</b>

**16 Depreciation and Amortisation Expenses**

Particulars	31-Mar-21
<b>Depreciation of Property, Plant and Equipment</b>	595
Less: Depreciation capitalised during the year	
	595
<b>Total</b>	<b>595</b>

**17 Other Expenses**

Particulars	31-Mar-21
Professional and consultancy charges	25,000
Pre-incorporation expenses	3,38,751
Audit Fee & Consultancy Fees	25,000
Statutory Expenses	22,800
LEASE RENTALS	14,160
Internet & telephone charges	4,790
Others	1,500
Bank Charges	1,017
<b>Total</b>	<b>4,33,018</b>

**18 Earnings per share**

**Basic and Diluted EPS**

Particulars	31-Mar-21
Net profit/(loss) for the year attributable to equity share holders	(2,78,601)
Weighted average number of Equity Shares	2,00,00,000
Par value per Share	1
Earnings per share from continuing operations	<b>(0.01)</b>

**19 Related Party Disclosures**

Particulars	31-Mar-21
<b>A) Names of the related parties and their relationship:</b>	
NACL Industries Limited - relationship "Holding Company"	
<b>B) Transactions during the year</b>	
Lease Rentals (₹ in lakhs)	14,160
<b>C) Outstanding balances as at the end of the year</b>	
Trade Payable (₹ in lakhs)	9,22,553



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