INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CITICHEM INDIA LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of "**CITICHEM INDIA LTD**", which comprise the Balance sheet as at 31st March 2022, and 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022 and its profit 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 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.

SAYED & ASSOCIATES MEM NO. 143094 CHARTERED ACCOUNTANTS

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 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 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.

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 Standards on Auditing issued by Institute of Chartered Accountants of India 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 Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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• 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

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, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.

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

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.

a) 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;

b) 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;

c) 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;

d) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

e) 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"

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. As per the information and explanation given to us, Company has disclosed the impact of its pending litigation which would impact its financial position. Refer Note 22.7.

   ii. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

   iii. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. a) The Company has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts.

b) The Company has represented that no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts.

c) Based on audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.

v. The company has not declared and paid any dividend during the financial year accordingly the provisions of section 123 is not applicable.

For CA Sayed Rehmat Ali Nazim Ali
Chartered Accountants
Firm Registration No.: 133736W
Membership No.: 143094

SAYED & ASSOCIATES
MEM NO. 143094
CHARTERED ACCOUNTANTS

CA Sayed Ali Nazim Ali
Proprietor
Place: Mumbai
Date: 17/08/2022
UDIN: 22143094AUZYHG8216

Annexure-A to the Independent Auditor's Report

"Annexure A" to the Independent Auditor's Report to the members of the company on the Standalone financial statements for the year ended March 31, 2022, we report that:

(i) **(a)** The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant & Equipment and Intangible Assets;

(b) The Company has regular programme of physical verification of its Property, Plant & Equipment. As per information and explanation given to us no material discrepancies were noticed on such verification.

(c) The title deeds of Immovable properties are held in the name of the company.

(d) The Company has not revalued its Property, Plant & Equipment and Intangible Assets during the year.

(e) According to information provided by the management no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.

(ii) **(a)** According to information and explanation provided by the management, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification which in our opinion is reasonable having regards to size of the Company and nature of its assets.

(b) The company has been sanctioned working capital limits in excess of five crores, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly/monthly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company.

(iii) According to the information and explanations given to us, the Company has not granted any loans and advances in the nature of loans secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties accordingly this clause 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 Companies Act, 2013 in respect of loans, investments, guarantees, and security.

(v) The Company has not accepted any deposits, 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 the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

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(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, related to the manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) **(a)** According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident funds, goods and service tax and other material statutory dues applicable with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2022, for the period of more than six months from the date becoming payable.

(b) According to the information and explanations given to us there are no dues of Income Tax, Wealth Tax, Goods and Service Tax , Customs Duty, Excess Duty, VAT, Goods and Service tax and cess on account of any dispute which have not been deposited

(viii) As per the information and explanations given to us, the company has not disclosed or surrendered any undisclosed income during the year, therefore this clause is not applicable to the company.

(ix) **(a)** According to the records of the company examined by us, and information and explanations given to us the company has not defaulted in repayment of dues to any Financial Institution as at the balance sheet date.

(b) Company has not been declared a wilful defaulter by any bank or financial institution or any other lender.

(c) According to the records of the company examined by us, company has not obtained any term loan, therefore this clause is not applicable to company.

(d) According to the records of the company examined by us, company has not obtained any term loan for a short term or long term purposes, therefore this clause is not applicable to company.

(e) The company has not raised any money from any person or entity for the account of or to pay the obligations of its associates, subsidiaries or joint ventures, therefore this clause is not applicable to company.

(f) The company has not raised any loans during the year by pledging securities held in their subsidiaries, joint ventures or associate companies. Therefore this clause is not applicable to company.

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SAYED & ASSOCIATES CHARTERED ACCOUNTANTS MEM NO. 143094

(x) **(a)** The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (x) of the Order are not applicable to the Company.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence this clause is not applicable to the company.

(xi) **(a)** According to information and explanations given to us there were no frauds on the Company by its officers or employees noticed or reported by the management for the year under review.

(b) No auditors of the company have filed a report in Form ADT-4 with the Central Government as prescribed under the Companies (Audit and Auditors) Rules, 2014. Therefore this clause is not applicable to company.

(c) There is no whistle-blower complaints, therefore this clause is not applicable to the company.

(xii) According to the information and explanations given to us the Company is not a Nidhi Company hence clause 3(xii) of the order is not applicable.

(xiii) According to the explanations and information given to us, all the transactions of the related parties at the Company, for the year under review are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details of the same have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the explanations and information given to us, company have an internal audit system which is commensurate with its size and business activities.

(xv) According to the information and explanation given to us the Company has not entered into any non-cash transaction with directors or persons connected with him as per provisions of Section 192 of the Companies Act, 2013.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence clause 3(xvi) of the order is not applicable.

(xvii) According to the explanations and information given to us, company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of statutory auditor during the year, and hence this clause is not applicable to the company.

(xix) According to the explanations, information given to us and on evaluation of ageing reports, financial ratios and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its

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CHARTERED ACCOUNTANTS MEM NO. 143094

liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) According to the explanations, information given to us, the provisions of section 135 of the Companies Act, relating to CSR are not applicable to the company.

(xxi) According to the explanations and information given to us, the company does not prepare consolidated financial statements and hence the said clause is not applicable.

For CA Sayed Rehmat Ali Nazim Ali
Chartered Accountants
Firm Registration No.: 133736W
Membership No.: 143094

SAYED & ASSOCIATES
MEM NO.
143094
CHARTERED ACCOUNTANTS

CITICHEM INDIA LIMITED
MUMBAI

CA Sayed Ali Nazim Ali
Proprietor
Place: Mumbai
Date: 17/08/2022
UDIN: 22143094AUZYHG8216.

ANNEXURE-B TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls 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 **CITICHEM INDIA LIMITED** ("the Company") as of March 31, 2022 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 the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 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 as specified under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

CITICHEM INDIA LIMITED

SAYED & ASSOCIATES CHARTERED ACCOUNTANTS 143094

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 CA Sayed Rehmat Ali Nazim Ali
Chartered Accountants
Firm Registration No.: 133736W
Membership No.: 143094

SAYED & ASSOCIATES CHARTERED ACCOUNTANTS MEM NO. 143094

CITICHEM INDIA LIMITED MUMBAI

CA Sayed Ali Nazim Ali
Proprietor
Place: Mumbai
Date: 17/08/2022
UDIN: 22143094AUZYHG8216

CITICHEM INDIA LTD
CIN NO:- U24100MH1992PLC065975
Balance Sheet as at 31st March,2022

Particulars	Notes No	Figures as at the 31.03.2022	Figures as at the 31.03.2021
1	2	4	4
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	50,000,000	680,000
Reserves and Surplus	2	7,700,974	5,308,378
Share application money		-	-
Non-Current Liabilities			
Long-term borrowings	3	11,062,097	-
Deferred tax liabilities (Net)		-	-
Long term provisions		-	-
Current Liabilities			
Short-term borrowings	4	-	-
Trade payables	5	842,764,274	724,907,893
Other current liabilities	6	-	-
Short-term provisions	7	2,741,011	1,257,315
		914,268,356	**732,153,585**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	8	778,696	895,082
Non-current investments		-	-
Deferred tax assets (net)		52,147	26,013
Long term loans and advances	9	319,000	269,000
Other non-current assets	10	-	-
Current assets			
Inventories	11	413,283,836	346,427,595
Trade receivables	12	463,992,945	335,915,914
Cash and cash equivalents	13	261,256	563,029
Short Term Loans & Advances		-	-
Other current assets	14	35,580,473	48,056,954
TOTAL		**914,268,356**	**732,153,585**

Significant accounting policies & notes on account as per Note No. "23"
This is the Balance Sheet referred to our report of even date.

For CA Sayed Rehmat Ali Nazim Ali
(Chartered Accountants)
FRN: 133736W
M.No.: 143094

SAYED & ASSOCIATES CHARTERED ACCOUNTANTS MEM NO. 143094

Proprietor
CA Sayed Ali Nazim Ali
Place: Mumbai
Date: 17/08/2022
UDIN: 22143094AUZYHG8216

For CITICHEM INDIA LTD

(ARIF MERCHANT)
(DIRECTOR)
DIN NO.00500363

(HASHIM MERCHANT)
(DIRECTOR)
DIN NO.03015945

CITICHEM INDIA LIMITED

CITICHEM INDIA LIMITED

CITICHEM INDIA LTD
CIN NO:- U24100MH1992PLC065975
Statement of Profit and Loss for the year ended 31st March, 2022

Particulars	Notes No	Figures for the year ended 31.03.2022	Figures for the year ended 31.03.2021
1	2	3	3
Income			
Revenue from operations	15	852,163,541	1,801,673,125
Other income	16	636,704	1,106,093
Total Revenue		852,800,245	1,802,779,218
Expenses:			
Purchase of stock - in - trade	17	903,323,695	1,867,176,900
Changes in inventories of finished goods	18	(66,856,241)	(85,099,181)
Employee benefits expense	19	5,258,962	4,511,702
Other Expenses	20	7,472,679	12,990,610
Total Expenses		849,199,095	1,799,580,031
Profit before Interest, Tax, Depreciation and amotization		3,601,150	3,199,187
Depreciation and amortisation Expenses	21	221,089	229,999
Finance Cost	22	161,349	33,452
Profit/(Loss) before Tax		3,218,712	2,935,736
Tax expense			
Current tax expense for current year		852,252	763,291
Deffered Tax		(26,136)	(26,013)
		-	-
Total Tax Expenses		826,116	737,278
Profit / (Loss) for the year		2,392,596	2,198,458
Earnings per equity share:			
(1) Basic		0.48	32.33
(2) Diluted			

Significant accounting policies & notes on account as per Note No. "23"
This is the Profit & Loss Account referred to our report of even date.

For CA Sayed Rehmat Ali Nazim Ali
(Chartered Accountants)
FRN : 133736W
M.NO. : 143094

SAYED & ASSOCIATES * CHARTERED ACCOUNTANTS * MEM NO. 143094

CA Sayed Ali Nazim Ali
Proprietor
Place : Mumbai
Date : 17/08/2022
UDIN : 22143094AUZYHG8216

For CITICHEM INDIA LTD

(ARIF MERCHANT)
(DIRECTOR)
DIN NO.00500363

(HASHIM MERCHANT)
(DIRECTOR)
DIN NO.03015945

CITICHEM INDIA LIMITED

CITICHEM INDIA LIMITED

CITICHEM INDIA LTD
CIN NO:- U24100MH1992PLC065975

Note no "1" to "23" to forming part of the Balance Sheet & Profit & Loss Account as at 31st March 2022

PARTICULARS	31.03.22 Rs	31.03.21 Rs
NOTE NO '1'		
SHARE CAPITAL		
Authorized capital		
5000000 Equity Shares of Rs 10/- each	50,000,000	1,000,000
	50,000,000	**1,000,000**
Issued subscribed and paid up capital		
68000 Equity Shares of Rs 10/- each fully paid up	680,000	680,000
FURTHER ISSUED AT PAR		
4932000/ Equity Shares of Rs 10/- each fully paid up	49,320,000	
Total	**50,000,000**	**680,000**
Details of share holding more than 5%	**No. of shares Held**	**No. of shares Held**
Arif Esmail Merchant	1,999,996	55,995
Fozia Arif Merchant	500,000	12,000
Hashim Merchant	2,000,000	
Saima Merchant	500,000	
NOTE NO '2'		
RESERVES & SURPLUS		
<u>Profit & Loss account</u>		
Balance as per last financial statement	5,308,378	3,109,920
Add : profit for the current year	2,392,596	2,198,458
Total	**7,700,974**	**5,308,378**
NOTE NO '3'		
LONG -TERM BORROWINGS		
<u>Secured Loan</u>	-	-
Indostar Capital	11,062,097	
<u>Unsecured Loans</u>		
<u>from Directors</u>		
Total	**11,062,097**	**-**
NOTE NO '4'		
SHORT -TERM BORROWINGS		
Total	**-**	**-**
NOTE NO '5'		
TRADE PAYABLE		
Creditors for Goods & Expenses		
Micro, Small & Medium Enterprises		
Other than Micro, Small & Medium Enterprises	842,764,274	724,907,893
Total	**842,764,274**	**724,907,893**

NOTE NO '6'			
OTHER CURRENT LIABILITIES			
	Total	-	-
NOTE NO '7'			
SHORT TERM PROVISIONS			
Professional Tax		59,675	42,775
Income tax - previous years		158,836	591,204
TDS		1,670,248	623,336
Income Tax for FY 21-22		852,252	
	Total	**2,741,011**	**1,257,315**
NOTE NO '8'			
FIXED ASSETS		778,696	895,082
As per schedule			
	Total	**778,696**	**895,082**
NOTE NO '9'			
Long Term Loans & Advances			
REFUNDABLE DEPOSIT		319,000	269,000
	Total	**319,000**	**269,000**
NOTE NO '10'			
OTHER NON CURRENT ASSETS		-	-
Investments		-	-
		-	-
	Total	-	-
NOTE NO '11'			
INVENTORIES			
Closing Stock of API & Chemicals Goods			
(At cost or market value whichever is lower			
as taken valued and certified by the management)		413,283,836	346,427,595
		413,283,836	**346,427,595**
NOTE NO '12'			
TRADE RECEIVABLE			
Debtors			
Unsecured, Considered good			
Debts outstanding other than Related Parties for a period:			
Less than Six Months- Considered Good		463,992,945	335,915,914
More than Six Months- Considered Good			
Less: Provision for doubtful receivables			
	Total	**463,992,945**	**335,915,914**
NOTE NO '13'			
CASH AND CASH EQUIVALENTS			
Cash in hand		217,429	396,393
Balances with Banks		43,827	166,636

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	Total	**261,256**	**563,029**
NOTE NO '14'			
OTHER CURRENT ASSETS			
GST Receivable		35,580,473	48,056,954
		-	-
	Total	**35,580,473**	**48,056,954**
NOTE NO '15'			
REVENUE FROM OPERATIONS			
Sales - API & Chemicales		852,163,541	1,801,673,125
	Total	**852,163,541**	**1,801,673,125**
NOTE NO '16'			
OTHER INCOME			-
Rebate & Discount		636,704	1,029,361
Foreign Currency Gain / Loss			76,732
	Total	**636,704**	**1,106,093**
NOTE NO '17'			
PURCHASE			
Purchases - API & Chemicales		903,323,695	1,829,828,546
Including Freight, Duty and C&F			37,348,354
	Total	**903,323,695**	**1,867,176,900**
NOTE NO '18'			
INCREASE\DECREASE IN INVENTORIES			
Opening Stock		346,427,595	261,328,414
Less: Closing stock		413,283,836	346,427,595
	Total	**(66,856,241)**	**(85,099,181)**
NOTE NO '19'			
EMPLOYEE BENEFIT EXPENSES			
Salary		3,126,962	2,409,445
Director Remuneration		2,132,000	2,100,000
Staff Welfare		-	2,257
	Total	**5,258,962**	**4,511,702**
NOTE NO '20'			
OTHER EXPENSES			
Rent paid		2,658,050	4,558,961
Office expenses		2,457,004	572,242
Commission paid		1,326,400	849,841
Business development and other exp.		1,031,225	7,009,566
	Total	**7,472,679**	**12,990,610**
NOTE NO '21'			
DEPRECIATION & AMORTISATION EXPENSE			

SAYED & ASSOCIATES
MEM NO. 143094
CHARTERED ACCOUNTANTS

CITICHEM INDIA LIMITED

Depreciation		221,089	229,999
	Total	**221,089**	**229,999**
NOTE NO '22'			
FINANCE COST			
Bank charges		161,349	33,452
		-	-
	Total	**161,349**	**33,452**

LIMITED ... TICHEM INDIA MUMBAI

SAYED & ASSOCIATES CHARTERED ACCOUNTANTS MEM NO. 143094

CITICHEM INDIA LTD
CIN NO:- U24100MH1992PLC065975

Notes to financial Statements for the period ended March 31, 2022

2.10. Property, Plant & Equipments			Gross Block				Accumulated Depreciation				Net Block	
Particulars	Rate of Depreciation	Useful Life (in Yrs)	Balance as at 1 April 2021	Additions	Deletion/Sale	Balance as at 31 March 2022	Balance as at 1 April 2021	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31March 2022	Balance as at 1 April 2020	Balance as at 31 March 2021
			(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
A. Tangible Fixed Assets												
FURNITURE -1			542,977.29	-	-	542,977	-	140,576.82	-	140,577	732,664.00	402,400
FURNITURE -2			29,952.80	-	-	29,953	-	7,755.00	-	7,755	-	22,198
AIR CONDITION-1			17,823.07	-	-	17,823	-	3,225.98	-	3,226	-	14,597
AIR CONDITION-2			85,986.48	-	-	85,986	-	15,563.55	-	15,564	-	70,423
AIR CONDITION-3			17,894.55	-	-	17,895	-	3,238.91	-	3,239	-	14,656
LAP TOP (TAB)			31,062.21	-	-	31,062	-	5,622.00	-	5,622	37,927.00	25,440
MOBILE			32,333.30	-	-	32,333	-	5,852.00	-	5,852	39,479.00	26,481
MOBILE HANDSET (SUMSUNG GALAXY)			19,552.95	-	-	19,553	-	3,539.00	-	3,539	-	16,014
PLANT AND MACHINERY			583.13	-	-	583	-	105.55	-	106	712.00	478
PRESENTATION EQUIPMENT			87,564.94	-	-	87,565	-	15,849.25	-	15,849	-	71,716
TELEVISION-1			7,691.23	-	-	7,691	-	1,392.11	-	1,392	9,391.00	6,299
TLELVISION-2			21,660.54	-	-	21,661	-	3,921.00	-	3,921	-	17,740
LAPTOP CHROME BOOK			-	26,483.00		26,483		3,576.14		3,576		22,907
WATCH			-	78,220.00		78,220		10,871.98		10,872		67,348
			-			-		-		-		-
Total			895,082	104,703	-	999,785	-	221,089	-	221,089	820,173	778,696

ANNEXURE-I

PARTICULARS	OP.BAL	RATE	ADD BEFORE 30/09/2021	AFTER 30/09/2022	CL. BALANCE	DEPRECIATION For 2021-2022	WDV AS ON 31/03/2021
FURNITURE & FIXTURES	687,873	10	0	0	687,873	68,787	619,086
AIRCONITION	119,467	15	0	0	119,467	17,920	101,547
LAPTOP	22,756	40	0	0	22,756	9,102	13,654
MOBILE	33,557	15	0	0.00	33,557	5,034	28,524
	0				0	0	0
MOBILE HANDSET	18,274	15	0	0.00	18,274	2,741	15,533
	0				0	0	0
PLANT & MACHINERY	605	15		0.00	605	91	514
	0				0	0	0
PRESENTATION EQUIPMENT	83,012	15	0	0.00	83,012	12,452	70,560
	0				0	0	0
TELEVISION	7,982	15		0.00	7,982	1,197	6,785
	0				0	0	0
TELEVISION SET	21,607	15		0.00	21,607	3,241	18,366
LAPTOP CHROME BOOK	0	15	26,483	0.00	26,483	3,972	22,511
WATCH	0	15	78,220	0.00	78,220	11,733	66,487
TOTAL	995,134		104,703	0	995,134	120,565	874,568

SAYED & ASSOCIATES * CHARTERED ACCOUNTANTS * MEM NO. 143094

CITICHEM INDIA LIMITED

ACCOUNTING POLICIES AND NOTES ON THE FINANCIAL STATEMENTS AND PROFIT & LOSS ACCOUNT

NOTE -24
Significant Accounting Policies:

1) **Basis of Accounting:**
The financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India (India GAAP) under the historical cost convention on the accrual basis. The Company has prepared these financial statements to comply in all material aspects with accounting standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2) **Use of Estimates:**
The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of income and expenses of the year. These estimates are based upon management's best knowledge of current events and actions. The difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3) **Property, Plant and Equipment:**
Tangible Property, Plant and Equipment are stated at cost of acquisition inclusive of direct expenses relating to acquisition, net of Taxes, Less Accumulated Depreciation.

4) **Depreciation:**
Depreciation on all Property, Plant and Equipment is provided pro-rata from/up to the date of acquisition/disposal using the written down method based on useful life of assets as specified under part C of schedule II of the Companies Act, 2013.

5) **Investments:**
Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost.

6) **Inventories:**

   i) Inventories are stated at cost or net realizable value whichever is lower. Cost is ascertained on first in first out method.

   ii) Finished goods are valued at cost of raw materials plus manufacturing overheads and taxes where applicable.

7) **Foreign Currency Transactions:**
Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet. All exchange differences arising on settlement/conversion of foreign currency transactions are included in the Statement of Profit and Loss in the year in which they arise.

8) **Revenue Recognition:**

   i. The sales are recognized on dispatch of goods. Sales are net of amounts recovered towards sales tax, discounts and rebates.

CITICHEM INDIA LIMITED

CHARTERED ACCOUNTANTS
MEM NO. 143094

ii. Export incentives are accounted when there is reasonable assurance that they will be received.

iii. Interest & Other Income is recognized on accrued basis.

9) **Employee Benefits:**

Post Employment Benefits:

(a) Defined Contribution Plans:

- The company has defined contribution plans for post employment benefits, charged to Profit & Loss Account, in the form of Provident fund / Employee Pension fund administered by Regional Provident fund Commissioner, Mumbai.

- Employee Deposit Linked Insurance Scheme 1976 under Employee's Provident Fund Miscellaneous Provision Act 1952.

- Group Medical Insurance cover as per company's policy.

(b) Defined benefits Plans

Funded Plans: The Company has defined benefit Plans for post employment benefits, for all employees in the Form of Gratuity administered through trust, funded with Life Insurance Corporation of India.

Liability for the above Defined Benefits Plans is provided on the basis of actuarial valuation, as at Balance Sheet date.

10) **Accounting for Taxes on Income:**

Deferred tax is recognized after considering deferred tax impact for the timing difference between Accounting Income & Tax Income. Deferred Tax Assets on timing difference are recognized when there is a reasonable certainty that they will be realized. Deferred Tax is recognized using tax rates enacted on Balance Sheet date. Provision for current tax is based on one in accordance with provisions of Income Tax Act, 1961.

11) **Leases:**

Lease rental / license fees in respect of assets under operating lease are charged to Profit & Loss Account.

12) **Impairment of Assets:**

- The management periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired.

  - An impairment loss is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired.

  - At each Balance Sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss.

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

13) **Earnings per share:**
Basis and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by weighted average number of equity shares outstanding during the year.

14) **Provisions:**
A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted at is present value and are determined based on management estimate required to settle the obligation at the balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Notes on Accounts

1. **Contingent Liabilities:**

SR. NO.	PARTICULARS	2021-22	2020-2021
1	Loans given by Bank	Rs. 110.62 Lakhs	Rs. 0.00 Lakhs

2. In the opinion of the Board of Directors, Current Assets, Loans and advances have value in realization in the ordinary course of business at least equal to the amount at which they are stated in Balance Sheet. Sundry Debtors / Creditors are stated at net of advances received / paid.

3. **Remuneration to Auditors:**

	2021-2022 Amount Rs.	2020-2021 Amount Rs.
Audit Fees	50000/-	50000/-
Tax Matters	0/-	0/-
Total	50000/-	50000/-

4. **CIF value of Imports, Expenditure and Earnings in foreign currency.**

SR. NO.	PARTICULARS	2021-2022 Amount Rs.	2020-2021 Amount Rs.
I	CIF Value of Imports		
	a) Raw Material	0/-	5583276/-
II	Expenditure in Foreign Currency		
	a) Raw Material	0/-	0/-
	b) Traveling	0/-	0/-
	c) Professional Fees	0/-	3395930/-
	d) Commission	0/-	0/-
	e) Business Promotion	0/-	0/-
III	Earning in Foreign currency		
	➢ FOB Value of Export	0/-	76732/-

SAYED & ASSOCIATES CHARTERED ACCOUNTANTS MEM NO. 143094

CITICHEM INDIA LIMITED MUMBAI

5. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD AS 17

There is only one reportable business segment as envisaged by Accounting Standard (AS) 17 "Segment Reporting". Accordingly no separate disclosure for the segment reporting is required to be made in the Financial Statement of the Company.

6. DISCLOSURES IN RESPECT OF COMPANY'S OPERATING LEASE ARRANGEMENTS, UNDER ACCOUNTING STANDARD (AS-19)

General description of the Company's operating lease arrangements:

i) The Company has entered into cancellable lease arrangements primarily for Warehouse Premises.

ii) Some of the significant terms and conditions of the arrangement are:
   (1) Agreements may generally be terminated by either party by serving a notice:
   (2) The lease arrangements are generally renewable on the expiry of the lease period subject to mutual agreement.
   (3) The Company does not have the option to purchase.
   (4) The Company shall not sublet, assign or part with the possession of the premises without prior written consent of the lessor.
   (5) Lease rental are paid in form of fixed rents and the amounts in respect of the above are charged to the Profit and Loss Account.

7. A). List and relationship of related parties

Sr. No.	Name of Related Party	Nature of Party Relationship
a)	Arif Merchant	Key Management Personnel
b)	Hashim Merchant	Key Management Personnel
c)	HM Megabrands Pvt Ltd	Director of (a) & (b) are Directors in the company
d)	General Chemical Industries	Proprietor is a Key Management Personnel
e)	HM Enterprises	Proprietor is a Key Management Personnel

B). Transactions with related parties (Amount in Rs. Lakhs)

Sr. No.	*Particulars*	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which persons referred in 7A (a) (b) & (c) are able to exercise significant influence
1	*Nature of Relationship*	Refer to 7 A) (a) to (b)	*Refer 7 A)*	*Refer to 7 A) (c) To (e)*
2	*Nature of Transaction*			
	a) Towards Remuneration	21.32	0.00	--
	b) Towards Purchases (Job Work)	--	--	1220.27
	c) Towards Interest	0.00	0.00	--
	d) Towards Sales			0.00

3	**Outstanding amount as on 31.03.2022**			
	a) Sundry Debtors	--	--	0.00
	b) Sunder Creditors	--	--	2405.62
	c) Unsecured Loans	0.00	0.00	--
	d) Amount Payable			--

8. Previous year figures have been regrouped and rearranged wherever necessary so as to make them comparable with those of the current year.

In terms of our report of even date
For SAYED & ASSOCIATES.
Chartered Accountants
Firm's Registration No.: 133736W

For and on behalf of the Board

CA SAYED REHMAT ALI NAZIM ALI
Proprietor

ARIF MERCHANT
Director
DIN No. 00500363

HASHIM MERCHANT
Director
DIN No. 03015945

Membership No.: 143094
Mumbai Dated: 17/08/2022