

## BOARDS' REPORT

To,  
The Members,  
Stellent Chemicals Industries Private Limited  
Vadodara

Your Directors have pleasure in presenting their Report together with Annual Financial Statement for the year ended 31<sup>st</sup> March, 2021.

### 1. PERFORMANCE OF THE COMPANY

Particulars	(Amt Rs. in Lakh)	
	2020-21	2019-20
<b>Sales Turnover (Net)</b>	NIL	NIL
<b>Gross Profit / (Loss)</b>	(7.81)	(7.79)
Less: (A) Depreciation		
(B) Provision for taxation:		
(i) Current Tax	NIL	NIL
(ii) Deferred Tax	NIL	NIL
<b>Net Profit / (Loss)</b>	(7.81)	(7.79)

### 2. DIVIDEND

During the year under review, the Company has not carried out any business activities and due to loss, the Board of Directors has not recommended the dividend.

### 3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

As the Company has not declared / paid any dividend since incorporation of the Company and therefore, the provisions relating to transfer of unclaimed dividend to IEPF does not apply to the Company.

### 4. THE STATE OF AFFAIRS OF THE COMPANY

**(A) REVIEW OF OPERATIONS:** During the year under review the Company has incurred losses of Rs. 7.81 Lakh.

<b>(B) FINANCIAL HIGHLIGHTS:</b>	<b>(Amt Rs. In Lakh)</b>
<u>Particulars</u>	<u>2020-21</u>
Sales Turnover (Net)	NIL
Gross Profit	(7.81)
Depreciation	NIL
Net Profit / (Loss)	(7.81)

**(C)** There is no change in the nature of the business of the Company.

### 5. MATERIAL CHANGES AND COMMITMENT, IF ANY

There are no other material changes and commitments affecting the financial position of the Company occurred from 1<sup>st</sup> April, 2021 to the date of this Report.

## 6. THE CORPORATE SOCIAL RESPONSIBILITY

As the provisions of relating to the Corporate Social Responsibility (CSR) as prescribed u/s. 135 of the Companies Act, 2013 along with Rules made thereunder are not applicable to our Company and therefore, neither the CSR Committee nor the CSR Policy are required to be framed by the Company.

## 7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not given any loans, guarantees or made investments pursuant to Section 186 of the Companies Act, 2013 and therefore, the disclosure under the said provision is not applicable.

## 8. CONTRACTS / ARRANGEMENT WITH THE RELATED PARTIES

During the year under review, no contracts / arrangements are entered with the Related Parties pursuant to Section 188 of the Companies Act, 2013.

## 9. AUDITORS REPORTS

The Auditors' Report issued by M/s. Dhirubhai Shah & Co. LLP on the Accounts is self-explanatory and therefore, does not call for any explanation. There were no qualifications, reservations or adverse remarks made by the above referred Statutory Auditors.

The provisions relating the Secretarial Audit is not applicable to the Company.

## 10. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure – "A"** attached to this Report.

## 11. THE MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, five meetings of Board of Directors of the Company were held on 22/06/2020, 10/07/2020, 05/08/2020, 05/11/2020 and 02/02/2021.

## 12. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

## 13. DEPOSITS

The Company has neither accepted nor renewed any Deposits since its incorporation.

## 14. SHARES:

- (a) **BUY BACK OF SECURITIES:** The Company has not bought back any of its securities during the year under review.
- (b) **SWEAT EQUITY:** The Company has not issued any Sweat Equity Shares during the year under review.
- (c) **BONUS SHARES:** No Bonus Shares were issued during the year under review.

(d) **EMPLOYEES STOCK OPTION PLAN:** The Company has not provided any Stock Option Scheme to the employees.

**15. PARTICULARS OF EMPLOYEES ETC.**

There were no employee in the Company during the financial year 2020–2021 and therefore, the particulars relating to them are not given and Sexual Harassment of Woman Employees are also not applicable to our Company.

**16.** As the Company has not started any manufacturing activities, there were no data available relating to conservation of energy, technology absorption, foreign exchange earnings and outgo.

**17. DIRECTORS RESPONSIBILITY STATEMENT**

Your Directors confirm that:

- (a) in the preparation of the Annual Accounts for the financial year 2020–2021, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the Annual Accounts on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,**

Sd/-

Place: Vadodara  
Date: 12<sup>th</sup> May, 2021

\_\_\_\_\_  
**CHAIRMAN**

## Annexure "A"

### FORM No. MGT-9 EXTRACT OF ANNUAL RETURN

as at the Financial Year ended on 31<sup>st</sup> March, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

(i)	Corporate Identification Number (CIN)	U24290GJ2019PTC110540
(ii)	Registration Date	25/10/2019
(iii)	Name of the Company	STELLENT CHEMICALS INDUSTRIES PRIVATE LIMITED
(iv)	Category / Sub-Category of the Company	Indian Non Govt. Company
(v)	Address of the Registered office and contact details	Post Box No. 2501, Padra Road, Vadodara – 390 020
(vi)	Whether Listed company	NO – Unlisted Public Company
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	None – Not Applicable

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Chemicals	241	0

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Fernway Textiles Limited Post Box No. 2501, Padra Road, Vadodara - 390020	U17200GJ2017PLC099677	Holding	100%	Section 2(46)

**IV. SHARE HOLDING PATTERN: (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (1 <sup>st</sup> April, 2020)				No. of Shares held at the end of the year (31 <sup>st</sup> March, 2021)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0	0	0	0	0	NIL
b) Central Govt.	0	0	0	0	0	0	0	0	NIL
c) State Govt.(s)	0	0	0	0	0	0	0	0	NIL
d) Bodies Corporate	0	10000	10000	100%	0	10000	10000	100%	NIL
e) Banks / FI	0	0	0	0	0	0	0	0	NIL
f) Any other	0	0	0	0	0	0	0	0	NIL
<b>Sub Total (A) (1):-</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100%</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100%</b>	<b>NIL</b>
<b>(2) Foreign</b>	0	0	0	0	0	0	0	0	
a) NRIs-Individuals	0	0	0	0	0	0	0	0	NIL
b). Others - Individuals	0	0	0	0	0	0	0	0	NIL
c). Bodies Corporate	0	0	0	0	0	0	0	0	NIL
d). Banks/FI	0	0	0	0	0	0	0	0	NIL
e). Any Other.	0	0	0	0	0	0	0	0	NIL
<b>Sub Total (B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NIL</b>
<b>Total shareholding of Promoter (A)= (A)(1)+(B)(2)</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100%</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100%</b>	<b>NIL</b>
<b>B. Public Shareholding</b>		0	0	0	0	0	0	0	NIL
<b>1. Institutions</b>		0	0	0	0	0	0	0	NIL
a) Mutual Funds	0	0	0	0	0	0	0	0	NIL

b) Banks / FI	0	0	0	0	0	0	0	0	NIL
c) Central Govt.	0	0	0	0	0	0	0	0	NIL
d) State Govt.(s)	0	0	0	0	0	0	0	0	NIL
e) Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
f) Insurance Companies	0	0	0	0	0	0	0	0	NIL
g) FIs	0	0	0	0	0	0	0	0	NIL
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
i) Others (specify)	0	0	0	0	0	0	0	0	NIL
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	NIL
<b>2.Non-Institutions</b>		0	0	0	0	0	0	0	NIL
<b>a) Bodies Corporate</b>		0	0	0	0	0	0	0	NIL
i) Indian	0	0	0	0	0	0	0	0	NIL
ii) Overseas	0	0	0	0	0	0	0	0	NIL
<b>b) Individuals</b>		0	0	0	0	0	0	0	NIL
i) Individual shareholders holding nominal share capital upto Rs. 1/- lakh.	0	0	0	0	0	0	0	0	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs. 1/- Lakh	0	0	0	0	0	0	0	0	NIL
<b>c) Others, (specify)</b>		0	0	0	0				NIL
Non Resident Indians	0	0	0	0	0	0	0	0	NIL
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	NIL

Foreign Nationals	0	0	0	0	0	0	0	0	NIL
Clearing Members	0	0	0	0	0	0	0	0	NIL
Trusts	0	0	0	0	0	0	0	0	NIL
Foreign Bodies - D R	0	0	0	0	0	0	0	0	NIL
<b>Sub-total (B)(2):-</b>	0	0	0	0	0	0	0	0	NIL
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	0	0	0	0	0	0	0	0	NIL
<b>C.Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	NIL
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100%</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100%</b>	<b>NIL</b>

**(ii) Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e. 1 <sup>st</sup> April, 2020)			Share holding at the end of the year (i.e. 31 <sup>st</sup> March, 2021)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Fernway Textiles Limited	9999	99.99	0	9999	99.99	0	0
2	Nishank Nimishbhai Patel – As Nominee of Fernway Textiles Limited	1	0.01	0	1	0.01	0	0

**(iv) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year (1 <sup>st</sup> April, 2020)	10000	100%	0	0
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0	0	0	0
3	At the end of the year (31 <sup>st</sup> March, 2021)	10000	100%	0	0

**(iv) Shareholding Pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For each of the top 10 shareholders</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0



**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year (01/04/2020) Shri Nishank Patel = 1 share As Nominee of Fernway Textiles Limited	1	0.01	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0	0	0	0
	At the end of the year (31/03/2021) (1) Shri Nishank Patel = 1 share As Nominee of Fernway Textiles Limited	1	0.01	0	0

**V. INDEBTEDNESS:** Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (i.e. 01/04/2020)</b>				
i) Principal Amount	0	10.5	0	10.5
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i + ii + iii)</b>	0	0	0	0
<b>Change in Indebtedness during the financial year (2020 – 2021)</b>				
* Addition	0	0	0	0
* Reduction	0	10.5	0	10.5
<b>Net Change</b>	0	10.5	0	10.5
<b>Indebtedness at the end of the financial year (i.e. 31/03/2021)</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i + ii + iii)</b>	0	0	0	0

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	NA	NA
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	NA
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NA
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NA	NA
2	Stock Option	NA	NA
3	Sweat Equity	NA	NA
4	Commission - as % of profit - others specify	NA	NA
5	Others, please specify	NA	NA
	Total (A)	NA	NA
	Ceiling as per the Act	NA	NA

### B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors		
		NUP	NNK	TOTAL
1	Independent Directors			
	Fee for attending board committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (1)	0	0	0
2	Other Non-Executive Directors	0	0	0
	Fee for attending board committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (2)	0	0	0
	Total (B)=(1+2)	0	0	0
	Total Managerial Remuneration	0	0	0

C. Remuneration to Key Managerial Personnel other than MD /Manager / WTD during the financial year 2020–2021

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NA	NA	NA	NA
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	NA	NA	NA
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA	NA
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission	NA	NA	NA	NA
	- as % of profit	NA	NA	NA	NA
	others, specify	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	Total	NA	NA	NA	NA

CEO: Chief Executive Officer, CS: Company Secretary, CFO: Chief Financial Officer

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	N.A.	None	None	None	None
Punishment	N.A.	None	None	None	None
Compounding	N.A.	None	None	None	None
<b>B. DIRECTORS</b>					
Penalty	N.A.	None	None	None	None
Punishment	N.A.	None	None	None	None
Compounding	N.A.	None	None	None	None
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	N.A.	None	None	None	None
Punishment	N.A.	None	None	None	None
Compounding	N.A.	None	None	None	None

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,**

Sd/-

Place: Vadodara  
Date: 12<sup>th</sup> May, 2021

\_\_\_\_\_  
**CHAIRMAN**



**Independent Auditor's Report**

**To the Members of Stellent Chemicals Industries Private Limited**

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of Stellent Chemicals Industries Private Limited ("the Company"), which comprises of the balance sheet as at 31st March 2021, and the statement of Profit and Loss (including other comprehensive income), and the Statement of changes in equity 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its losses, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

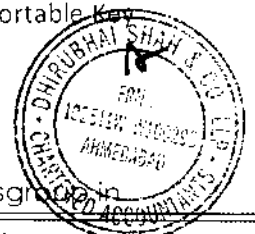
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We 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.

**Emphasis of Matter**

We draw attention to Note 18 of the standalone financial statements regarding outbreak of COVID-19 and the impact assessment made by the management on its business, operations and assets of the Company. As stated in the said Note, the unfolding events could in fact may end up being different but it is anticipated the same are unlikely to materially affect the business of the Company. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our opinion, there are no reportable Key Audit Matters for the standalone financial statements of the Company.



### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

### **Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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 implementation and maintenance of 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 statement 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. Those 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 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on Other Legal and Regulatory Requirements

1. This report doesn't include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India, in terms of sub section 11 of section 143 of the companies Act, 2013 since in Our opinion and according to the information and explanation given to us, the said order is not applicable to the company.

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;
- 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 Indian 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 is 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 A"; and

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

- i. the Company has disclosed the impact, wherever necessary, of pending litigations on its financial position in its financial statements;
- ii. the Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



4. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company, if any, to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act except as mentioned above. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us. Our opinion is not modified in respect of this matter

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm's registration number: 102511W/W100298

Anik S. Shah

Anik S Shah

Partner

Membership number: 140594

UDIN: 21140594AAAAPE5537



Place: Vadodara

Date: 12<sup>th</sup> May, 2021



## **Annexure - A to the Auditors' 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 Stellent Chemicals Industries Private Limited ("the Company") as of 31<sup>st</sup> March 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed 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 judgment, 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 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 the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31 March 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 Dhirubhai Shah & Co LLP

Chartered Accountants

Firm's registration number: 102511W/W100298

*Anik S. Shah*

Anik S Shah

Partner

Membership number: 014427



Place: Vadodara

Date: 12th May, 2021

**STELLENT CHEMICALS INDUSTRIES PRIVATE LIMITED**  
**CIN: U24290GJ2019PTC110540**  
**BALANCE SHEET AS AT 31st MARCH, 2021**

	Note No.	As at 31-03-2021 Rs. In Lakhs	As at 31-03-2020 Rs. In Lakhs
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment		-	-
(b) Financial Assets		-	-
(c) Other Non Current Assets		-	-
<b>CURRENT ASSETS</b>			
(a) Inventories		-	-
(b) Financial Assets		-	-
(i) Cash and Cash Equivalents	4	9.89	3.94
(d) Other Current Assets	5	2.64	-
		<u>12.53</u>	<u>3.94</u>
<b>TOTAL ASSETS</b>		<u>12.53</u>	<u>3.94</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	6	26.00	1.00
(b) Other Equity	7	(15.59)	(7.79)
		<u>10.41</u>	<u>(6.79)</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities	8	-	10.50
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non Current Liabilities		-	-
		<u>-</u>	<u>10.50</u>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities		-	-
(ii) Other Financial Liabilities	9	2.13	0.23
(b) Other Current Liabilities		-	-
(c) Provisions		-	-
		<u>2.13</u>	<u>0.23</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u>12.53</u>	<u>3.94</u>

Corporate Information, Basis of Preparation & Significant Accounting Policies 1 to 3

The accompanying notes 1 to 12 are an integral part of the Standalone Financial Statements

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

For **DHIRUBHAI SHAH & CO LLP**  
Chartered Accountants  
Firm Registration Number: 102511W/W100298

*Anik S. Shah*

**Anik S Shah**  
Partner  
Membership Number: 140594  
Place: Vadodara  
Date : 12th May,2021



*[Signature]*  
Director  
(DIN: 00039549)

*[Signature]*  
Director  
(DIN: 05170801)

Date : 12th May,2021

**STELLEN CHEMICALS INDUSTRIES PRIVATE LIMITED**  
**CIN: U24290GJ2019PTC110540**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021**

Particulars	Note No.	2020-21 Rs. In Lakhs	2019-20 Rs. In Lakhs
<b>INCOME</b>			
Revenue from operations		-	-
Other income		-	-
<b>TOTAL INCOME</b>		<u>-</u>	<u>-</u>
<b>EXPENSES</b>			
Cost of Materials Consumed		-	-
Excise Duty		-	-
Purchases of Stock in Trade		-	-
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefits expense		-	-
Finance Costs		-	-
Depreciation and amortization expenses		-	-
Other expenses	10	<u>7.81</u>	<u>7.79</u>
<b>TOTAL EXPENSES</b>		<u>7.81</u>	<u>7.79</u>
<b>Profit/(Loss) before exceptional items and tax</b>		<u>(7.81)</u>	<u>(7.79)</u>
Exceptional items (net)		-	-
<b>Profit/(Loss) before tax</b>		<u>(7.81)</u>	<u>(7.79)</u>
Tax items		-	-
Current tax		-	-
Earlier years tax provisions (written back)		-	-
Deferred tax asset / (liability)		-	-
Total tax items		<u>-</u>	<u>-</u>
<b>Profit/(Loss) for the year</b>		<u>(7.81)</u>	<u>(7.79)</u>
<b>Other Comprehensive Income/ (Loss) for the year</b>		<u>-</u>	<u>-</u>
<b>Total Comprehensive Income/ (Loss) for the year</b>		<u>(7.81)</u>	<u>(7.79)</u>
<b>Earnings Per Equity Share (Basic and Diluted)</b>	11	<u>(78.07)</u>	<u>(77.87)</u>
<b>Corporate Information, Basis of Preparation &amp; Significant Accounting Policies</b>	1-3		

The accompanying notes 1 to 16 are an integral part of the Standalone Financial Statements

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

For DHIRUBHAI SHAH & CO LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

*Anik S. Shah*

Anik S Shah

Partner

Membership Number: 140594

Place: Vadodara

Date : 12th May,2021



*[Signature]*

Director  
(DIN: 00039549)

*[Signature]*

Director  
(DIN: 05170801)

Date : 12th May,2021

**STELLEN CHEMICALS INDUSTRIES PRIVATE LIMITED**  
**CIN: U24290GJ2019PTC110540**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021**

	2020-21 Rs. In Lakhs	2019-20 Rs. In Lakhs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) Before Tax	(7.81)	(7.79)
Adjustments for:		
Depreciation and amortization	-	-
Interest and finance charges	-	-
Interest income	-	-
Others	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>(7.81)</b>	<b>(7.79)</b>
Adjustments for changes in working capital :	(0.75)	0.23
<b>Cash Generated from Operations</b>		
Income taxes paid	-	-
<b>Net Cashflow from Operating Activities</b>	<b>(8.55)</b>	<b>(7.56)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-	-
Purchase of Investment	-	-
Additions in capital work in progress	-	-
<b>Net Cashflow from Investing Activities</b>	<b>-</b>	<b>-</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Unsecured loans	(10.50)	10.50
Proceeds from Issue of Shares	25.00	1.00
<b>Net Cashflow from Financing Activities</b>	<b>14.50</b>	<b>11.50</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>5.95</b>	<b>3.94</b>
Cash and bank balances at the beginning of the year	3.94	-
Cash and bank balances at the end of the year	9.89	3.94

**NOTES:**

- 1) The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows
- 2) Figures in bracket indicate cash outflow.
- 3) Previous year figures have been regrouped and recast wherever necessary to confirm to current year's classification.

Cash and cash equivalents at the end of the year consist of cash on hand, cheques, draft on hand and balance with banks as follows:

DETAIL OF CASH AND CASH EQUIVALENTS	As at 31-03-2021 Rs. In Lakhs	As at 31-03-2020 Rs. In Lakhs
Balances with banks		
In current accounts	9.89	3.94
In deposits with original maturity of less than 3 months	-	-
Cash on hand	-	-
	<b>9.89</b>	<b>3.94</b>

"As per our report of even date attached"

For **DHIRUBHAI SHAH & CO LLP**  
Chartered Accountants  
Firm Registration Number: 102511W/W100298

*Anik S. Shah*  
Anik S Shah  
Partner  
Membership Number: 140594  
Place: Vadodara  
Date: 12th May, 2021



ON BEHALF OF THE BOARD OF DIRECTORS

*[Signature]*  
Director  
(DIN: 00039549)

*[Signature]*  
Director  
(DIN: 05170801)

Date: 12th May, 2021

**STELLENT CHEMICALS INDUSTRIES PRIVATE LIMITED**

CIN: U24290GJ2019PTC110540

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

**(A) EQUITY SHARE CAPITAL**

For the year ended 31st March, 2021

		(Rs. in Lakhs)
Balance as at 1st April, 2020	Changes during the year	Balance as at 31st March, 2021
1.00	-	1.00

**(B) PREFERENCE SHARE CAPITAL**

For the year ended 31st March, 2021

		(Rs. in Lakhs)
Balance as at 1st April, 2020	Changes during the year	Balance as at 31st March, 2021
-	25.00	25.00

**(C) OTHER EQUITY**

For the year ended 31st March, 2021

Particulars	Retained Earnings	Total Equity
Balance as at 1st April, 2020	(7.79)	(7.79)
Profit/(Loss) for the year	(7.81)	(7.81)
Balance as at 31st March, 2021	(15.59)	(15.59)

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

For DHIRUBHAI SHAH & CO LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

*Anik S. Shah*

Director  
(DIN: 00039549)

Director  
(DIN: 05170801)



Anik S Shah

Partner

Membership Number: 140594

Place: Vadodara

Date : 12th May, 2021

Date : 12th May, 2021

STELLANT CHEMICALS INDUSTRIES PRIVATE LIMITED  
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

	As at 31/3/2021 (Rs. in Lakhs)	As at 31/3/2020 (Rs. in Lakhs)
<b>4. CASH AND CASH EQUIVALENTS</b>		
A. Balances with Banks in Current Accounts	9.89	1.98
	<u>9.89</u>	<u>1.98</u>
<b>5. Other Current Assets</b>		
Reimbursement of expenses - M/Tejan Rohan Inc	2.64	-
	<u>2.64</u>	-
<b>6. SHARE CAPITAL</b>		
1,00,000 Equity Shares of Rs. 10 each (FY - All)	15.00	15.00
48,00,000 Preference Shares of Rs. 10 each (FY - Nil)	485.00	485.00
	<u>500.00</u>	<u>500.00</u>
Issued, Subscribed and paid up:		
1,00,000 Equity Shares of Rs. 10 each, fully paid up (FY-2000)	1.00	1.00
2,50,000 0.1% Non-cumulative Convertible Non-cumulative Preference Shares of Rs. 10 each (FY - Nil)	25.00	-
	<u>26.00</u>	<u>1.00</u>

Particulars	As at 31/03/2021 (Rs. in Lakhs)		As at 31/03/2020 (Rs. in Lakhs)	
	No. of Shares	(Rs. in Lakhs)	No. of Shares	(Rs. in Lakhs)
At the beginning of the year	10,000	1.00	-	-
Add: Shares issued	-	-	10,000	1.00
Shares outstanding at the end of the year	<u>10,000</u>	<u>1.00</u>	<u>10,000</u>	<u>1.00</u>

Particulars	As at 31/03/2021 (Rs. in Lakhs)		As at 31/03/2020 (Rs. in Lakhs)	
	No. of Shares	(Rs. in Lakhs)	No. of Shares	(Rs. in Lakhs)
At the beginning of the year	-	-	-	-
Add: Shares issued	250,000	25.00	-	-
Shares outstanding at the end of the year	<u>250,000</u>	<u>25.00</u>	-	-

**6.2 Terms/Rights attached to the equity shares**  
The Company has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**6.3 Number of Shares held by each shareholder holding more than 5% Shares in the company**

Name of Shareholder	As at 31/03/2021		As at 31/03/2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Fairway Textiles Limited	10,000	100.00	10,000	100.00

**6.3A Number of Preference Shares held by each shareholder holding more than 5% Shares in the company**

Name of Shareholder	As at 31/03/2021		As at 31/03/2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Fairway Textiles Limited	250,000	100.00	-	0.00

	As at 3/31/2021 (Rs. in Lakhs)	As at 3/31/2020 (Rs. in Lakhs)
<b>7. OTHER EQUITY</b>		
Profit and Loss		
Opening Balance	(7.79)	-
Net Profit for the year	(7.81)	17.79
Closing balance	<u>(15.60)</u>	<u>(7.79)</u>

	As at 3/31/2021 (Rs. in Lakhs)	As at 3/31/2020 (Rs. in Lakhs)
<b>8. NON-CURRENT LIABILITIES - FINANCIAL</b>		
Unsecured Loans from KMP	-	10.50
	-	<u>10.50</u>

	As at 3/31/2021 (Rs. in Lakhs)	As at 3/31/2020 (Rs. in Lakhs)
<b>9. CURRENT FINANCIAL LIABILITIES - OTHERS</b>		
Other Taxes	2.13	0.73
	<u>2.13</u>	<u>0.73</u>

	2020-21 (Rs. in Lakhs)	2019-20 (Rs. in Lakhs)
<b>OTHER EXPENSES</b>		
Audit Fees	0.06	0.06
Office Exp	7.73	7.71
	<u>7.79</u>	<u>7.77</u>
** Payments to the auditors for - Statutory audit	0.08	0.06

	2020-21 (Rs. in Lakhs)	2019-20 (Rs. in Lakhs)
<b>11. EARNINGS PER EQUITY SHARE</b>		
Profit/(loss) available for equity shareholders	(7.81)	(7.79)
Weighted average number of equity shares outstanding	10,000	10,000
Nominal value per equity share (in Rupees)	10.00	10.00
Earnings/(Loss) Per Equity Share - Basic and Diluted (in Rupees)	<u>(78.07)</u>	<u>(77.87)</u>

**Note: 12**  
The Company has prepared its financial statements as per Ind AS provisions, as its Holding Company is covered under the applicability criteria of preparing its financial statements as per Ind AS.

**Note: 13**  
The Company does not have any contingent liabilities and commitments as at 31st March, 2021.

**Note: 17**  
The Company does not have any employees in the company hence no reporting is required as per Ind AS 15.

**Note: 18**  
The Company has assessed the impact of COVID-19 pandemic on its business operations and financial results based on its review of current and historical business conditions. However, the impact assessment is a continuing process given the uncertainties associated with its nature and duration, and accordingly, the Company will continue to monitor any changes to future economic conditions.

**Note: 19**  
The figures for the previous periods have been regrouped wherever necessary to conform to the current period presentation.

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

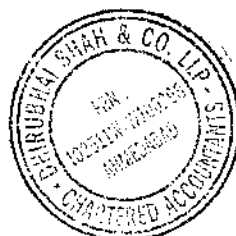
For DHIRUBHAI SHAH & CO LLP  
Chartered Accountants  
Firm Registration Number - 1027513W/100298

Anil S. Shah  
Partner  
Membership Number - 140704  
Place: Vadodra  
Date: 12th May, 2021

Director  
(DIN: 00039549)

Director  
(DIN: 05170801)

Date: 12th May, 2021



**STELLENT CHEMICALS INDUSTRIES PRIVATE LIMITED**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

**14 - RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24**

**(a) Related Parties**

**1. Holding Company**

- Fernway Textiles Limited

**2. Key Management Personnel**

Name	Designation
Nishank Nimish Patel	Director
Nimishbhai Upendrabhai Patel	Director

**(b) Transactions with related parties:**

Nature of Transaction	(Rs. in Lakhs)					
	Holding Company	Key Management Personnel (KMP)	Total	Holding Company	Key Management Personnel (KMP)	Total
	2020-21	2020-21	2020-21	2019-20	2019-20	2019-20
Loan Taken/(Repayment) from KMP	-	(10.50)	(10.50)	-	10.50	10.50
Issue of Preference Shares to Holding Company	25.00	-	25.00	-	-	-





STELLEN CHEMICALS INDUSTRIES PRIVATE LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

15. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

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

Level 2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

III. Figures as at March 31, 2020

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Current Assets</b>										
<b>Financial Assets</b>										
(i) Cash and Cash Equivalents		-	-	-	3.94	3.94	-	-	-	-
		-	-	-	3.94	3.94	-	-	-	-
<b>Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Others		-	-	-	0.23	0.23	-	-	-	-
		-	-	-	0.23	0.23	-	-	-	-

IV. Figures as at March 31, 2021

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Current Assets</b>										
<b>Financial Assets</b>										
(i) Cash and Cash Equivalents		-	-	-	9.89	9.89	-	-	-	-
(i) Others		-	-	-	2.64	2.64	-	-	-	-
		-	-	-	12.53	12.53	-	-	-	-
<b>Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Others		-	-	-	2.13	2.13	-	-	-	-
		-	-	-	2.13	2.13	-	-	-	-



**STELLENT CHEMICALS INDUSTRIES PRIVATE LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

As on the reporting date, the Company has not started its business operations, hence, the policy related to risk management is yet to be formed by the management of the Company.

**Capital management**

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants. As on the reporting date, the company has not started its business operations.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

**Particulars**

	<b>As at</b>	<b>As at</b>
	<b>31-03-2021</b>	<b>31-03-2020</b>
Total Debt		
Equity	-	10.50
<b>Capital and net debt</b>	<b>26.00</b>	<b>1.00</b>
<b>Gearing ratio</b>	<b>26.00</b>	<b>11.50</b>
	-	<b>0.91</b>



**STELLENT CHEMICALS INDUSTRIES PVT LTD**  
**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

**1. CORPORATE INFORMATION**

Stellent Chemicals Industries Pvt Ltd is a company incorporated on 25<sup>th</sup> October, 2019. It is a wholly owned subsidiary of Fernway Textile Ltd., which is a wholly owned subsidiary of Fernway Textiles Limited.

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017.

b) Functional and presentation currency

These financial statements are presented in Indian rupee, which is the Company's functional currency. All amounts have been rounded to the nearest lakh, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on historical cost basis, except certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

**Current versus non-current classification**

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

An asset is treated as current when it is:

- a. Expected to be realized or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realized within twelve months after the reporting period, or
- d. 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.

A liability is current when:

- a. It is expected to be settled in normal operating cycle
- b. It is held primarily for the purpose of trading
- c. It is due to be settled within twelve months after the reporting period, or
- d. 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.



**STELLENT CHEMICALS INDUSTRIES PVT LTD**  
**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

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

## **2A. USE OF ESTIMATES**

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

### Critical estimates and judgments

The areas involving critical estimates or judgments are:

- a) Estimation of current tax expense and payable – Refer accounting policies - 3.9
- b) Estimated useful life of property, plant & equipment and intangible assets – Refer accounting policies - 3.1
- c) Estimation of defined benefit obligation – Refer accounting policies - 3.8
- d) Estimation of fair values of contingent liabilities - Refer accounting policies - 3.12
- e) Recognition of revenue - Refer accounting policies - 3.4
- f) Recognition of deferred tax assets for carried forward tax losses – Refer accounting policies - 3.9
- g) Impairment of financial assets – Refer accounting policies - 3.2 & 3.5

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

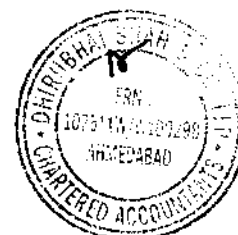
## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Property, plant and equipment:**

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated and accumulated impairment losses, if any. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put-to-use.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognized separately as independent items and are depreciated over their estimated economic useful lives.

All other repair and maintenance costs are recognized in the statement of profit and loss as incurred unless they meet the recognition criteria for capitalization under Property, Plant and Equipment



**STELLENT CHEMICALS INDUSTRIES PVT LTD**  
**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

Tangible Fixed Assets:

- (a) Depreciation on all fixed asset is provided on straight line value method. Rate of depreciation is accordance with the provisions of section 123 of the Companies Act, 2013 considering the useful life provided in part "C" of the schedule II. Depreciation on additions to the assets during the year is being provided on pro-rata basis with reference to the month of acquisition /installation. Depreciation on assets sold, discarded, demolished or scrapped during the year is being provided up to the month in which such assets are sold, discarded, demolished or scrapped.

Capital Work- in- progress

Capital work- in- progress represents directly attributable costs of construction to be capitalized. All other expenses including interest incurred during construction period are capitalized as a part of the construction cost to the extent to which these expenditures are attributable to the construction as per Ind AS-23 "Borrowing Costs". Interest income earned on temporary investment of funds brought in for the project during construction period are set off from the interest expense accounted for as expenditure during the construction period.

**3.2 Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures it on the basis of discounted cash flows for the remaining year's (remaining useful life) projections estimated based on current prices. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**3.3 Foreign Currency Transactions**

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are measured in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.



**STELLENT CHEMICALS INDUSTRIES PVT LTD**  
**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements including receivables and payables which are likely to be settled in foreseeable future, are recognized as income or as expenses in the year in which they arise. All other exchange differences are recognized as income or as expenses in the period in which they arise.

Transactions covered under forward contracts are accounted for at the contracted rate. All export proceeds have been accounted for at a fixed rate of exchange at the time of raising invoices. Foreign exchange fluctuations as a result of the export sales have been adjusted in the statement of profit and loss account and export proceeds not realized at the balance sheet date are restated at the rate prevailing as at the balance sheet date.

**3.4 Revenue recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**3.5 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**A. Financial Assets**

**a. Initial recognition and measurement:**

All financial assets are recognized initially at fair value (FVOCI / amortized cost / FVTPL). Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognized on the settlement date, trade date, i.e., the date that the Company commits to purchase or sell the asset.

**b. Subsequent measurement:**

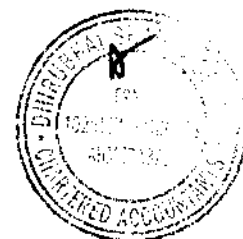
For purposes of subsequent measurement, financial assets are classified in four categories:

**i. Debt instruments at amortized cost:**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate [EIR] method. Amortized cost is calculated by taking into account any discount or premium on acquisition (if any) and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising



**STELLEN CHEMICALS INDUSTRIES PVT LTD**  
**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

**ii. Debt instruments at fair value through other comprehensive income [FVTOCI]:**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income [OCI]. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of Profit and Loss.

**iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss [FVTPL]:**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

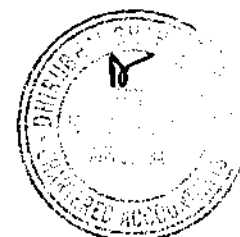
**iv. Equity instruments measured at fair value through other comprehensive income [FVTOCI]:**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has made such election on an instrument by- by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**c. Derecognition:**

A financial asset is primarily derecognized when:

- i. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either [a] the Company has transferred substantially all the risks and rewards of the asset, or [b] the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.



**STELLENT CHEMICALS INDUSTRIES PVT LTD  
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**B. Financial liabilities:**

**a. Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as over the counter derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**b. Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described below:

**i. Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes over the counter derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied for liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

**ii. Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**c. Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**C. Reclassification of financial assets:**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a





**STELLENT CHEMICALS INDUSTRIES PVT LTD**  
**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses [including impairment gains or losses] or interest.

**D. Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**3.6 Fair Value Measurement**

The Company measures financial instruments at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

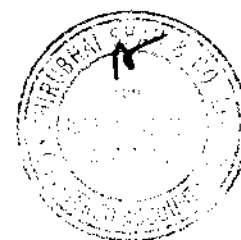
The principal or the most advantageous market must be accessible by the Company. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and 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

**3.7 Retirement benefits**

Company recognizes the undiscounted amount of short term employee benefits during the accounting period based on service rendered by employees.



**STELLEN CHEMICALS INDUSTRIES PVT LTD**  
**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

**3.8 Taxes on Income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Company operates. Current tax items are recognized in correlation to the underlying transaction either in P&L, OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized on the basis of reasonable certainty that the company will be having sufficient future taxable profits and based on the same the DTA has been recognized in the books.

The carrying amount (if any) of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent the management estimates that it has become reasonable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

**3.9 Borrowing costs**

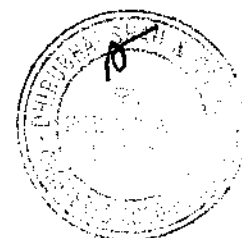
Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs which are not specifically attributable to the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a weighted average capitalization rate. The weighted average rate is taken of the borrowing costs applicable to the outstanding borrowings of the company during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized cannot exceed the amount of borrowing costs incurred during that period.

**3.10 Earnings per equity share**

Basic earnings per share is calculated by dividing the net profit or loss from continuing operation and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.



**STELLENT CHEMICALS INDUSTRIES PVT LTD  
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**3.11 Provisions, Contingent Liabilities and Contingent Assets:**

Provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/disclosure is made. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are renewed at each balance sheet date.

**3.12 Cash and Cash Equivalents**

Cash and cash equivalent comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

