



**Chirag R. Shah**  
M.Com., A.C.A., LL.B.

**M/s. CHIRAG SHAH & ASSOCIATES**  
CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Afco Industrial and Chemicals Limited

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the accompanying Financial statements of Afco Industrial and Chemicals Limited ("the Company") which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year ended on that date and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025; its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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, we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report including Annexures to the Directors Report but does not include the financial statements and our auditor's report thereon.

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

In Connection with our audit of the financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained 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 on in this regard.

## 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 including other comprehensive income, 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 accounting policies, making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



## AUDITOR'S 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 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 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.

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.



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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) 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 (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account,
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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- iv. (a) The management has represented that, to the best of its knowledge and belief, 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 person(s) or entity (ies), 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;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity (ies), 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
- (c) On the basis of information and explanations given to us and having regard to the audit procedures performed by us that were considered reasonable and appropriate in the circumstances, nothing has come to our notice which causes us to believe that the representations under sub-clause (a) and (b) above contain any material mis-statement.
- v. The Company has not declared or paid any dividend during the year.
- vi. On the basis of information and explanations given to us and Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

**For Chirag Shah & Associates**  
**Chartered Accountants**  
**Firm Registration No. 133561W**

*Chirag Shah*

**Chirag Shah**  
**Proprietor**

**Membership No. 145211**

**UDIN: 25145211Bm0cm0 8723**

**Place: Mumbai**

**Date: May 9, 2025**



## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Afco Industrial and Chemicals Limited on the financial statements for the year ended 31" March 2025-**

- i) (a) (A)The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B)The Company does not have any Intangible assets. Hence Clause 3(I)(a)(B) of the order is not applicable to the Company for the year under audit.
- (b) We have been informed that the Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no discrepancies have been noticed in respect of Property, Plant and Equipment so verified during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment.
- (c) The title deeds of all the immovable properties (other than the properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) According to the Information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the "Benami Transactions (Prohibition) Act, 1986 and Rules made thereunder.
- ii) (a) The Company did not have any operations and do not hold any inventories during the year. Accordingly, the provisions of Clause 3 (ii) (a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets. Clause 3(ii)(b) of the Order is, therefore, not applicable to the Company for the year under audit.
- iii) According to the information and explanations given to us and based on the records examined by us, the Company has not made any investments nor provided any guarantee or security or loans or advances in the nature of loans, secured or unsecured to any companies, firms, Limited Liability Partnerships or other parties except as given below.
- (a) During the year, Company has not granted unsecured loans to companies as under:

| Particulars  | (Amount in'000) |
|--|-----------------|
|  | <b>Loan</b>     |
| Aggregate amount granted/provided during the year                      | 0.00            |
| - Others   |                 |
| Balance Outstanding as at balance sheet date in respect of above cases | 1,12,300.00     |
| - Others   |                 |



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Further, the Company has not provided any guarantee or security to any companies, firms, Limited Liability Partnerships or other parties during the year.

- (b) According to the information and explanations given to us, the terms and Conditions of the grant of loans are not prejudicial to the company's interest.
- (c) According to the information and explanations given to us and based on the records examined by us, the loans given are repayable on demand and interest is receivable on demand and no amounts have been demanded during the year.
- (d) According to the information and explanations given to us and based on the records examined by us, no amount of loan is overdue as at the balance sheet date.
- (e) According to the information and explanations given to us and based on the records examined by us, no loan has fallen due during the year.
- (f) According to the information and explanations given to us and based on the records examined by us, the Company has granted loans which are repayable on demand as under:

| Particulars  | Amount<br>'000) | ( Rs.in |
|--|-----------------|---------|
| <b>Related Parties:</b>  |                 |         |
| <b>Aggregate amount of loans/advances in nature of Loans</b>       |                 |         |
| Repayable on demand  | 1,12,300.00     |         |
| Percentage of Loans/advances in nature of Loans to the total Loans | 100%            |         |

Further, the Company has not granted any loans or advances in the nature of loans without specifying any terms or period of repayment.

- iv) According to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans given and Investments made, as applicable. The Company has not provided any guarantee or security as specified in Section 185 and 186 of the Act.
- v) According to the information and explanations given to us, the Company has not accepted any deposits or any amounts which are *deemed* to be deposits during the year and hence the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules made thereunder are not applicable to the Company.
- vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.



- vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing the undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other applicable statutory dues to the appropriate authorities. According to the information and explanations given to us, there are no material undisputed statutory dues outstanding as at March 31, 2025, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub clause (a) above which have not been deposited on account of any dispute as at March 31, 2025.
- viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in respect of tax assessments under the Income Tax Act, 1961 (43 of 1961), that have not been recorded in the books of account and have been surrendered or disclosed as income during the year.
- ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Loans amounting to Rs. 2,500.00 thousands are repayable on demand and interest thereon is payable on demand and such loans and interest thereon have not been demanded for repayment during the current financial year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not obtained any term loans. Hence, clause 3(ix)(c) of the Order is not applicable to the Company for the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the funds raised on short-term basis have been utilized for long term purposes.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence, clause 3(ix)(e) of the Order is not applicable to the Company for the year.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any investment in any subsidiary or associate or joint venture during the year. Hence, clause 3(ix)(f) of the Order is not applicable to the Company for the year.



- x) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any money by way of public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(x)(a) of the Order are not applicable to the Company for the year under audit.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year.
- xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company was noticed or reported during the year.
- (b) No report has been filed during the year by the auditors under sub-section (12) section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, no whistle-blower complaints have been received by the Company during the year.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company and hence Clause 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act 2013
- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Clause 3(xvi)(b) of the Order is, therefore, not applicable to the Company.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanations given to us and as represented by the Management of the Company, the Group ( as defined in core Investment companies (Reserve Bank ) Directions ,2016) has only one CIC as part of the Group.

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- xvii) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and further based on our examination of the records of the Company, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx) According to the information and explanations given to us and based on the records examined by us, the provisions of Section 135 of Companies Act, 2013 are not applicable to the Company. Clause 3(xx) of the Order is, therefore, not applicable to the Company.

**For Chirag Shah & Associates**  
**Chartered Accountants**  
**Firm Registration No. 133561W**

*Chirag Shah*

**Chirag Shah**  
**Proprietor**

**Membership No. 145211**

**UDIN: 25145211BMOCMB8723**

**Place: Mumbai**

**Date: May 9, 2025**



## **ANINEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in para 2 (f) under 'Report on Other Legal and Regulatory Requirements' in of the Independent Auditors' Report of even date to the members of Afco Industrial and Chemicals Limited on the financial statements for the year ended 31<sup>st</sup> March 2025**

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

We have audited the internal financial controls with reference to the financial statements of Afco Industrial and Chemicals Limited ("the Company") as of March 31, 2025 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 with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Chirag Shah & Associates**  
**Chartered Accountants**  
**Firm Registration No. 133561W**

*Chirag Shah*

**Chirag Shah**  
**Proprietor**  
**Membership No. 145211**

**UDIN: 251452118MOCMB8723**



**Place: Mumbai**  
**Date: May 9, 2025**

# Afco Industrial and Chemicals Limited

BALANCE SHEET AS AT 31st MARCH 2025

(Rupees in '000)

| Sr. No.  | Particulars                         | Note No. | As at 31st March 2025 | As at 31st March 2024 |
|--|-------------------------------------|----------|-----------------------|-----------------------|
| <b>ASSETS</b>  |                                     |          |                       |                       |
| 1) <u>Non Current Assets</u>                         |                                     |          |                       |                       |
| a) Property, Plant & Equipment and Intangible Assets |                                     |          |                       |                       |
|  | (i) Property, Plant & Equipment     | 3        | 1,572.02              | 1,622.75              |
| b) Financial Assets                                  |                                     |          |                       |                       |
|  | (i) Investments                     | 4        | 11,071.98             | 13,119.98             |
|  | (ii) Other Financial Assets         | 5        | 82.81                 | 149.74                |
|  |                                     |          | <b>12,726.80</b>      | <b>14,892.45</b>      |
| 2) <u>Current Assets</u>                             |                                     |          |                       |                       |
| a) Financial Assets                                  |                                     |          |                       |                       |
|  | (i) Cash and Cash Equivalents       | 6        | 821.66                | 1,975.26              |
|  | (ii) Loans                          | 7        | 1,12,300.00           | 1,12,300.00           |
|  | (iii) Other Financial Assets        | 5        | 26,688.56             | 17,958.60             |
|  |                                     |          | <b>1,39,810.22</b>    | <b>1,32,233.86</b>    |
|  | <b>Total Assets</b>                 |          | <b>1,52,537.01</b>    | <b>1,47,126.31</b>    |
| <b>EQUITY AND LIABILITIES</b>                        |                                     |          |                       |                       |
| <b>EQUITY</b>  |                                     |          |                       |                       |
|  | 1) Equity Share Capital             | 8        | 7,605.00              | 7,605.00              |
|  | 2) Other Equity                     | 9        | 1,36,551.82           | 1,32,150.26           |
|  |                                     |          | <b>1,44,156.82</b>    | <b>1,39,755.26</b>    |
| <b>LIABILITIES</b>                                   |                                     |          |                       |                       |
| 1) <u>Non Current Liabilities</u>                    |                                     |          |                       |                       |
| a) Provisions  |                                     |          |                       |                       |
|  |                                     | 10       | 752.02                | 494.26                |
|  |                                     |          | <b>752.02</b>         | <b>494.26</b>         |
| 2) <u>Current Liabilities</u>                        |                                     |          |                       |                       |
| a) Financial Liabilities                             |                                     |          |                       |                       |
|  | (i) Borrowings                      | 11       | 2,500.00              | 2,500.00              |
|  | (ii) Other Financial Liabilities    | 12       | 4,019.03              | 3,721.94              |
| b) Other Current Liabilities                         |                                     |          |                       |                       |
|  |                                     | 13       | 89.73                 | 289.81                |
| c) Current Tax Liabilities (Net)                     |                                     |          |                       |                       |
|  |                                     | 14       | 1,019.43              | 365.03                |
|  |                                     |          | <b>7,628.19</b>       | <b>6,876.79</b>       |
|  | <b>Total Liabilities</b>            |          | <b>8,380.20</b>       | <b>7,371.05</b>       |
|  | <b>Total Equity and Liabilities</b> |          | <b>1,52,537.01</b>    | <b>1,47,126.31</b>    |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For M/s. CHIRAG SHAH & ASSOCIATES

Chartered Accountants

Firm's Registration No : 133561W

*Chirag Shah*

Chirag Shah

Proprietor

Membership No: 145211

Mumbai

Date : May 09, 2025



For and on behalf of the Board of Directors of

Afco Industrial and Chemicals Limited

CIN- U24110MH1983PLC012744

*Lalita*

Lalita Rajesh

Director

DIN- 06485569

Mumbai

Date : May 09, 2025

*AA*

Alok Sureka

Director

DIN- 09400073

Mumbai

Date : May 09, 2025

# Afco Industrial and Chemicals Limited

STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31st MARCH 2025

(Rupees in '000)

| Sr. No. | Particulars   | Note No. | Year ended 31st March 2025 | Year ended 31st March 2024 |
|---------|---|----------|----------------------------|----------------------------|
| I]      | Revenue from Operations   |          | -                          | -                          |
| II]     | Other Income  | 15       | 13,052.82                  | 12,911.95                  |
| III]    | Total Income [I+II]   |          | 13,052.82                  | 12,911.95                  |
| IV]     | Expenses  |          |                            |                            |
| i)      | Employee Benefits Expense   | 16       | 1,712.08                   | 1,655.23                   |
| ii)     | Finance Cost  | 17       | 250.00                     | 118.17                     |
| iii)    | Depreciation and Amortization Expenses  | 3        | 50.73                      | 68.45                      |
| iv)     | Other Expenses  | 18       | 2,352.12                   | 2,251.69                   |
|         | Total Expenses [IV]   |          | 4,364.93                   | 4,093.55                   |
| V]      | Profit / (Loss) Before Exceptional Items and Tax [III-IV]   |          | 8,687.89                   | 8,818.41                   |
| VI]     | Exceptional Items   |          | -                          | -                          |
| VII]    | Profit / (Loss) Before Tax [V+VI]   |          | 8,687.89                   | 8,818.41                   |
| VIII]   | Tax Expenses  |          |                            |                            |
| 1)      | Current Tax   | 25       | 2,187.82                   | 2,223.15                   |
| 2)      | Short/(Excess) provision of tax for earlier years   |          | 50.53                      | 9.44                       |
|         | Total Tax Expenses  |          | 2,238.34                   | 2,232.58                   |
| IX]     | Profit / (Loss) for the year from Continuing Operations [VII-VIII]  |          | 6,449.55                   | 6,585.83                   |
| X]      | Other Comprehensive (Loss)/Income   |          |                            |                            |
| (i)     | Items that will not be classified to Profit or Loss Equity Instruments at Fair Value through Other Comprehensive Income | 19       | (2,047.99)                 | 7,251.61                   |
|         | Total Comprehensive Income for the year [IX+X]  |          | 4,401.56                   | 13,837.44                  |
| XI]     | (Comprising Profit / (Loss) and Other Comprehensive (Loss)/Income for the year)   |          | 4,401.56                   | 13,837.44                  |
| XII]    | Earning Per Equity Share (For Continuing Operations)  |          |                            |                            |
| 1)      | Basic   | 23       | 84.81                      | 86.60                      |
| 2)      | Diluted   | 23       | 84.81                      | 86.60                      |

The accompanying notes form an integral part of the financial statements  
As per our report of even date attached

For M/s. CHIRAG SHAH & ASSOCIATES

Chartered Accountants

Firm's Registration No : 133561W

*Chirag Shah*

Chirag Shah

Proprietor

Membership No: 145211

Mumbai

Date : May 09, 2025



For and on behalf of the Board of Directors of

Afco Industrial and Chemicals Limited

CIN- U24110MH1983PLC012744

*Lalita Rajesh*

Lalita Rajesh

Director

DIN- 06485569

Mumbai

Date : May 09, 2025

*Alok Sureka*

Alok Sureka

Director

DIN- 09400073

Mumbai

Date : May 09, 2025

# Afco Industrial and Chemicals Limited

CASH FLOW STATEMENT FOR YEAR ENDED 31st MARCH 2025

(Rupees in '000)

| Sr. No. | Particulars  | Year Ended<br>31st March 2025 | Year Ended<br>31st March 2024 |
|---------|--|-------------------------------|-------------------------------|
| A]      | <b>Cash Flow from Operating Activities</b>   |                               |                               |
|         | Net Profit / (Loss) before tax   | 8,687.89                      | 8,818.41                      |
|         | Adjustment for :   |                               |                               |
|         | > Depreciation   | 50.73                         | 68.45                         |
|         | > Interest expense   | 250.00                        | 118.17                        |
|         | > Dividend Income  | (111.64)                      | (52.66)                       |
|         | > Interest Income  | (11,230.00)                   | (11,204.86)                   |
|         | > (Gain)/loss on disposal of property, plant & equipment including exceptional items (net) | -                             | -                             |
|         | Operating profit / (Loss) before working Capital changes                                   | (2,353.02)                    | (2,252.50)                    |
|         | Working Capital adjustments for:   |                               |                               |
|         | > (Increase) / Decrease in Others Non-Current Financial Assets                             | 66.93                         | -                             |
|         | > (Increase) / Decrease in Others Current Financial Assets                                 | (8,729.96)                    | 1,413.73                      |
|         | > Increase / (Decrease) in Provisions (Non Current)  | 257.75                        | (1.89)                        |
|         | > Increase / (Decrease) in Other Current Financial Liabilities                             | 297.09                        | (33.93)                       |
|         | > Increase / (Decrease) in Provisions (Current)  | -                             | -                             |
|         | > Increase / (Decrease) in Other Current Liabilities                                       | (200.08)                      | 225.08                        |
|         | Cash Generated From Operations   | (10,661.29)                   | (649.51)                      |
|         | Taxes Paid / Refund received (Net)   | (1,583.95)                    | (2,375.73)                    |
|         | Net Cash generated from / (Used in ) Operating Activities                                  | (12,245.24)                   | (3,025.24)                    |
| B]      | <b>Cash Flow from Investing Activities</b>   |                               |                               |
|         | Proceeds from Sale of Property, Plant and Equipment  | -                             | -                             |
|         | Inter-Corporate Deposits placed  | -                             | (1,500.00)                    |
|         | Interest received on Inter-Corporate Deposits  | 11,230.00                     | 1,120.49                      |
|         | Interest income on Fixed Deposit   | -                             | -                             |
|         | Dividend received  | 111.64                        | 58.57                         |
|         | Net Cash generated from / (Used in) Investing activities                                   | 11,341.64                     | (320.94)                      |
| C]      | <b>Cash Flow from Financing Activities</b>   |                               |                               |
|         | Inter-Corporate Deposits taken   | -                             | 2,300.00                      |
|         | Interest paid on Inter-Corporate Deposits  | (250.00)                      | (11.82)                       |
|         | Net Cash generated from / (Used in) Financing Activities                                   | (250.00)                      | 2,488.18                      |
|         | Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)                         | (1,153.60)                    | (858.00)                      |
|         | Cash and Cash Equivalents as at the beginning of the year                                  | 1,975.26                      | 2,833.26                      |
|         | Cash and cash equivalents at the end of the year   | 821.66                        | 1,975.26                      |

The above Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows as notified under section 133 of the Companies Act, 2013.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For M/s. CHIRAG SHAH & ASSOCIATES

Chartered Accountants

Firm's Registration No : 133561W

*Chirag Shah*

Chirag Shah

Proprietor

Membership No: 145211

Mumbai

Date : May 09, 2025



For and on behalf of the Board of Directors of

Afco Industrial and Chemicals Limited

CTN- U24110MFI983PLC012744

*Lalita*

Lalita Rajesh

Director

DIN- 06485569

Mumbai

Date : May 09, 2025

*Ash*

Alok Sureka

Director

DIN- 09400073

Mumbai

Date : May 09, 2025

# Afco Industrial and Chemicals Limited

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2025  
Current Reporting Period

## A) EQUITY SHARE CAPITAL

| Balance at the Beginning of the Reporting Period i.e. on 1st April, 2024 | Changes in Equity Share Capital due to Prior Period Errors | Restated Balance at the beginning of the Current reporting period | Changes in Equity Share Capital during the Year 2024-25 | Balance at the End of the Reporting Period i.e. on 31st March 2025 |
|--|--|---|---|--|
| 7,605.00   | -  | 7,605.00  | -   | 7,605.00   |

(Rupees in 000)

## B) OTHER EQUITY

| Particulars                                      | Reserves & Surplus |  | Equity Instruments through Other Comprehensive Income | Total       |
|--|--------------------|--|---|-------------|
|  | Retained Earnings  |  |   |             |
| Balance at the Beginning of the Reporting Period | 1,22,556.58        |  | 9,593.67  | 1,32,150.26 |
| Total Comprehensive Income for the Year          | -                  |  | (2,047.99)  | (2,047.99)  |
| Transfers to Retained Earnings                   | 6,449.55           |  | -   | 6,449.55    |
| Balance at the End of the Reporting Period       | 1,29,006.13        |  | 7,545.68  | 1,36,551.81 |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For M/s. **CHIRAG SHAH & ASSOCIATES**

Chartered Accountants

Firm's Registration No : 133561W

*Chirag Shah*  
Proprietor

Membership No: 145211

Mumbai

Date : May 09, 2025

For and on behalf of the Board of Directors of  
**Afco Industrial and Chemicals Limited**  
CIN- U24110MH1983PLC012744



*Lalita Rajesh*  
Director  
DIN- 06485569

Mumbai

Date : May 09, 2025

*AdL*  
Alok Surecha  
Director  
DIN- 09400073

Mumbai

Date : May 09, 2025

## Afco Industrial and Chemicals Limited

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2024 Previous Reporting Period

#### A) EQUITY SHARE CAPITAL

(Rupees in '000)

| Balance at the Beginning of the Reporting Period i.e. on 1st April, 2023 | Changes in Equity Share Capital due to Prior Period Errors | Restated Balance at the beginning of the Current reporting period | Changes in Equity Share Capital during the Year 2023-24 | Balance at the End of the Reporting Period i.e. on 31st March 2024 |
|--|--|---|---|--|
| 7,605.00   | -  | 7,605.00  | -   | 7,605.00   |

#### B) OTHER EQUITY

| Particulars                                      | Reserves & Surplus |  | Equity Instruments through Other Comprehensive Income | Total       |
|--|--------------------|--|---|-------------|
|  | Retained Earnings  |  |   |             |
| Balance at the Beginning of the Reporting Period | 1,15,970.76        |  | 2,342.06  | 1,18,312.82 |
| Total Comprehensive Income for the Year          | -                  |  | 7,251.61  | 7,251.61    |
| Transfers to Retained Earnings                   | 6,585.83           |  | -   | 6,585.83    |
| Balance at the End of the Reporting Period       | 1,22,556.58        |  | 9,593.67  | 1,32,150.26 |

# Afco Industrial and Chemicals Limited

Notes to the Financial Statements for year ended 31st March 2025

## Note 3. Property, Plant & Equipment

(Rupees in '000)

| Particulars                                | Tangible Assets |                   |                    | Total Tangible Assets |
|--|-----------------|-------------------|--------------------|-----------------------|
|  | Freehold Land   | Plant & Machinery | Electrical Fitting |                       |
| <b>For the Year Ended 31st March, 2024</b> |                 |                   |                    |                       |
| <b>Gross Carrying Amount</b>               |                 |                   |                    |                       |
| Deemed Cost as at 1st April, 2023          | 1,421.22        | 110.98            | 430.35             | 1,962.55              |
| Additions                                  | -               | -                 | -                  | -                     |
| Disposals                                  | -               | -                 | -                  | -                     |
| Closing Gross Carrying Amount              | 1,421.22        | 110.98            | 430.35             | 1,962.55              |
| <b>Accumulated Depreciation</b>            |                 |                   |                    |                       |
| As at 1st April, 2023                      | -               | 105.43            | 165.92             | 271.35                |
| Depreciation charge during the year        | -               | -                 | 68.45              | 68.45                 |
| Disposals                                  | -               | -                 | -                  | -                     |
| Closing Accumulated Depreciation           | -               | 105.43            | 234.37             | 339.80                |
| <b>For year ended 31st March, 2025</b>     |                 |                   |                    |                       |
| <b>Gross Carrying Amount</b>               |                 |                   |                    |                       |
| Opening as at 1st April, 2024              | 1,421.22        | 110.98            | 430.35             | 1,962.55              |
| Additions                                  | -               | -                 | -                  | -                     |
| Disposals / Transfers                      | -               | -                 | -                  | -                     |
| Closing Gross Carrying Amount              | 1,421.22        | 110.98            | 430.35             | 1,962.55              |
| <b>Accumulated Depreciation</b>            |                 |                   |                    |                       |
| As at 1st April, 2024                      | -               | 105.43            | 234.37             | 339.80                |
| Depreciation charge during the year        | -               | -                 | 50.73              | 50.73                 |
| Disposals                                  | -               | -                 | -                  | -                     |
| Closing Accumulated Depreciation           | -               | 105.43            | 285.10             | 390.53                |
| Net Carrying Amount as on 31st March, 2024 | 1,421.22        | 5.55              | 195.98             | 1,622.75              |
| Net Carrying Amount as on 31st March, 2025 | 1,421.22        | 5.55              | 145.25             | 1,572.02              |

### Notes

- 1) The Title deed of the immovable properties, i.e., freehold land, leasehold land and buildings are held in the name of the Company.
- 2) There was no revaluation of PPE in current year and previous year.

## Afco Industrial and Chemicals Limited

Notes to the Financial Statements for year ended 31st March 2025

### Note 4. Non Current Investments

(Rupees in '000)

| Particulars   | As at 31st March 2025 |              |                  | As at 31st March 2024 |              |                  |
|---|-----------------------|--------------|------------------|-----------------------|--------------|------------------|
|   | Quoted                | Unquoted     | Total            | Quoted                | Unquoted     | Total            |
| A] Investments in Equity Instruments  |                       |              |                  |                       |              |                  |
| 1) Other Entities   |                       |              |                  |                       |              |                  |
| - 952 (previous year : 952) Equity shares of Rs.100 each fully paid of Bombay Burma Trading Employees Welfare Company Limited | -                     | 95.20        | 95.20            | -                     | 95.20        | 95.20            |
| - 59,660 (previous year : 59,660) Equity shares of Rs.2 each fully paid of Bombay Dyeing & Manufacturing Company Limited      | 7,739.10              | -            | 7,739.10         | 9,441.20              | -            | 9,441.20         |
| - 336 (previous year : 336) Equity shares of Rs.10 each fully paid of Tata Chemicals Limited                                  | 290.61                | -            | 290.61           | 363.08                | -            | 363.08           |
| - 383 (previous year : 383) Equity shares of Rs.1 each fully paid of Tata Consumer Products Limited                           | 383.67                | -            | 383.67           | 419.54                | -            | 419.54           |
| - 1 (previous year : 1) Equity shares of Rs.100 each fully paid of National Peroxide Employees Welfare Company Limited        | -                     | 0.10         | 0.10             | -                     | 0.10         | 0.10             |
| - 540 (previous year : 540) Equity shares of Rs.2 each fully paid of Larsen and Touro Limited                                 | 1,885.14              | -            | 1,885.14         | 2,032.51              | -            | 2,032.51         |
| - 949 (previous year : 949) Equity shares of Rs.10 each fully paid of Gujarat Narmada Valley Fertilisers Limited              | 471.08                | -            | 471.08           | 592.94                | -            | 592.94           |
| - 18 (previous year : 18) Equity shares of Rs.10 each fully paid of Ultratech Cement Company Limited                          | 207.08                | -            | 207.08           | 175.41                | -            | 175.41           |
| <b>Total Non Current Investment</b>   | <b>10,976.68</b>      | <b>95.30</b> | <b>11,071.98</b> | <b>13,024.67</b>      | <b>95.30</b> | <b>13,119.98</b> |
| Aggregate amount of Quoted Investments  | 3,431.00              | -            | 3,431.00         | 3,431.00              | -            | 3,431.00         |
| Aggregate Market Value of Quoted Investments  | 10,976.68             | -            | 11,071.98        | 13,024.67             | -            | 13,119.98        |
| Aggregate amount of Unquoted Investments  | -                     | 95.30        | 95.30            | -                     | 95.30        | 95.30            |
| Aggregate amount of impairment in Value of Investments  | -                     | -            | -                | -                     | -            | -                |

# Afco Industrial and Chemicals Limited

## Notes to the Financial Statements for year ended 31st March 2025

### Note 5. Other Financial Assets

(Unsecured and considered good unless otherwise stated)

(Rupees in '000)

| Sr. No. | Particulars  | As at 31st March 2025 |              | As at 31st March 2024 |               |
|---------|--|-----------------------|--------------|-----------------------|---------------|
|         |  | Current               | Non Current  | Current               | Non Current   |
| (i)     | Security Deposits  | 171.72                | 82.81        | 171.72                | 149.74        |
| (ii)    | Receivable from Related Parties (Refer Note No.24)                                 |                       |              |                       |               |
|         | - Companies in which a Director is a Director                                      | -                     | -            | 639.42                | -             |
|         | - Entities under common control  | 950.49                | -            | 688.10                | -             |
| (iii)   | Interest accrued on Inter Corporate Deposits to Related Parties (Refer Note No.24) | 25,556.96             | -            | 16,449.96             | -             |
| (iv)    | Other Receivables  |                       |              |                       |               |
|         | - Receivable from LIC - Employee Gratuity  | -                     | -            | -                     | -             |
|         | - Dividend receivable  | 9.40                  | -            | 9.40                  | -             |
|         |  | <b>26,688.56</b>      | <b>82.81</b> | <b>17,958.60</b>      | <b>149.74</b> |

# Afco Industrial and Chemicals Limited

Notes to the Financial Statements for year ended 31st March 2025

## Note 6. Cash & Cash Equivalents

(Rupees in '000)

| Sr. No. | Particulars           | As at 31st March 2025 | As at 31st March 2024 |
|---------|-----------------------|-----------------------|-----------------------|
| i)      | Cash on hand          | -                     | -                     |
| ii)     | Balances with banks:  |                       |                       |
|         | - In current accounts | 821.66                | 1,975.26              |
|         | <b>Total</b>          | <b>821.66</b>         | <b>1,975.26</b>       |

There are no repatriation restriction with regards to Cash & Cash Equivalents as at the end of the current year & previous year

## Note 7. Loans

(Unsecured and considered good unless otherwise stated)

(Rupees in '000)

| Sr. No. | Particulars  | As at 31st March 2025 | As at 31st March 2024 |
|---------|--|-----------------------|-----------------------|
| i)      | Inter Corporate Deposits receivable from Related parties               |                       |                       |
|         | - Fellow Subsidiary  | 2,300.00              | 2,300.00              |
|         | - Company in which a Director is a Director<br>(Refer Note No.24 & 27) | 1,10,000.00           | 1,10,000.00           |
|         | <b>Total</b>   | <b>1,12,300.00</b>    | <b>1,12,300.00</b>    |

## Afco Industrial and Chemicals Limited

Notes to the Financial Statements for year ended 31st March 2025

### Note 8. Equity Share Capital

| Particulars   | (Rupees in '000)      |                       |
|---|-----------------------|-----------------------|
|   | As at 31st March 2025 | As at 31st March 2024 |
| <b>Authorised Share Capital</b>   |                       |                       |
| 80,000 equity shares of ₹ 100/- each (Previous Year 80,000 of ₹ 100/- each)                                     | 8,000.00              | 8,000.00              |
| 50,000 11.5% Non Cumulative Redeemable Preference Shares of ₹ 100/- each (Previous Year 50,000 of ₹ 100/- each) | 5,000.00              | 5,000.00              |
|   | <b>13,000.00</b>      | <b>13,000.00</b>      |
| <b>Issued, Subscribed and paid-up</b>   |                       |                       |
| 76,050 Equity Shares of ₹ 100/- each (Previous year 76,050 of ₹ 100/- each)                                     | 7,605.00              | 7,605.00              |
|   | <b>7,605.00</b>       | <b>7,605.00</b>       |

a) Terms and Rights attached to Equity Shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The Company declares and pays dividend in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general Meeting. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

b) Reconciliation of the shares outstanding at the beginning and at the end of reporting year.

| Particulars   | (Rupees in '000)        |                         |
|---|-------------------------|-------------------------|
|   | As at 31st March 2025   | As at 31st March 2024   |
| <b>Equity Shares of Rs. 100/- each at the beginning of the year</b> | <b>Number of Shares</b> | <b>Amount</b>           |
| Increase during the year  | 76,050                  | 7,605                   |
| <b>Equity Shares of Rs. 100/- each at the end of the year</b>       | <b>76,050</b>           | <b>7,605</b>            |
|   |                         | <b>Number of Shares</b> |
|   |                         | 76,050                  |
|   |                         | <b>Amount</b>           |
|   |                         | 7,605                   |

c) Details of shares held by each shareholder holding more than 5% shares

| Sr. No. | Name of the Shareholders   | As at 31st March 2025 |           | As at 31st March 2024 |           |
|---------|--|-----------------------|-----------|-----------------------|-----------|
|         |  | Number of Shares      | % Holding | Number of Shares      | % Holding |
| 1       | The Bombay Burmah Trading Corporation Limited (including its Nominees) | 76,050                | 100.00    | 76,050                | 100.00    |
|         |  | 76,050                | 100.00    | 76,050                | 100.00    |

# Afco Industrial and Chemicals Limited

## Notes to the Financial Statements for year ended 31st March 2025

d) Details of Promoter's Shareholding in the equity shares of the company :

Disclosure of Shareholding of Promoter's as at March 31, 2025 is as follows :

| Sr. No. | Promoter Name   | As at 31st March 2025 |           | As at 31st March 2024 |           | % change during the year |
|---------|---|-----------------------|-----------|-----------------------|-----------|--------------------------|
|         |   | Number of Shares      | % Holding | Number of Shares      | % Holding |                          |
| 1       | The Bombay Burmah Trading Corporation Limited   | 76,038                | 99.98     | 76,038                | 99.98     | -                        |
| 2       | Mr Nitin Hariyantal Datanwala   | 2                     | 0.00      | 2                     | 0.00      | -                        |
| 3       | Mr Dhirendra J Paleja jointly with<br>The Bombay Burmah Trading Corporation Limited         | 2                     | 0.00      | 2                     | 0.00      | -                        |
| 4       | Mr Rustom Adi Sai jointly with<br>The Bombay Burmah Trading Corporation Limited             | 2                     | 0.00      | 2                     | 0.00      | -                        |
| 5       | Mrs. Jayshree Ramasubramanian jointly with<br>The Bombay Burmah Trading Corporation Limited | 2                     | 0.00      | 2                     | 0.00      | -                        |
| 6       | Mr. Sachin S Kulkarni jointly with<br>The Bombay Burmah Trading Corporation Limited         | 2                     | 0.00      | 2                     | 0.00      | -                        |
| 7       | Mr. Nikhil Vasant Dhume jointly with<br>The Bombay Burmah Trading Corporation Limited       | 2                     | 0.00      | 2                     | 0.00      | -                        |
|         | Total   | 76,050                | 100.00    | 76,050                | 100.00    |                          |

Disclosure of Shareholding of Promoter's as at March 31, 2024 is as follows :

| Sr. No. | Promoter Name   | As at 31st March 2024 |           | As at 31st March 2023 |           | % change during the year |
|---------|---|-----------------------|-----------|-----------------------|-----------|--------------------------|
|         |   | Number of Shares      | % Holding | Number of Shares      | % Holding |                          |
| 1       | The Bombay Burmah Trading Corporation Limited   | 76,038                | 99.98     | 76,038                | 99.98     | -                        |
| 2       | Mr Nitin Hariyantal Datanwala   | 2                     | 0.00      | 2                     | 0.00      | -                        |
| 3       | Mr Dhirendra J Paleja jointly with<br>The Bombay Burmah Trading Corporation Limited         | 2                     | 0.00      | 2                     | 0.00      | -                        |
| 4       | Mr Rustom Adi Sai jointly with<br>The Bombay Burmah Trading Corporation Limited             | 2                     | 0.00      | 2                     | 0.00      | -                        |
| 5       | Mrs. Jayshree Ramasubramanian jointly with<br>The Bombay Burmah Trading Corporation Limited | 2                     | 0.00      | 2                     | 0.00      | -                        |
| 6       | Mr. Sachin S Kulkarni jointly with<br>The Bombay Burmah Trading Corporation Limited         | 2                     | 0.00      | 2                     | 0.00      | -                        |
| 7       | Mr. Nikhil Vasant Dhume jointly with<br>The Bombay Burmah Trading Corporation Limited       | 2                     | 0.00      | 2                     | 0.00      | -                        |
|         | Total   | 76,050                | 100.00    | 76,050                | 100.00    |                          |

# Afco Industrial and Chemicals Limited

## Notes to the Financial Statements for year ended 31st March 2025

### Note 9. Other Equity

(Rupees in '000)

| Particulars                | As at 31st March<br>2025 | As at 31st March<br>2024 |
|----------------------------|--------------------------|--------------------------|
| Other Comprehensive Income | 7,545.69                 | 9,593.68                 |
| Retained Earnings          | 1,29,006.13              | 1,22,556.58              |
| <b>Total</b>               | <b>1,36,551.82</b>       | <b>1,32,150.26</b>       |

### Other Comprehensive Income

(Rupees in '000)

| Particulars  | As at 31st March<br>2025 | As at 31st March<br>2024 |
|--|--------------------------|--------------------------|
| Opening Balance  | 9,593.68                 | 2,342.06                 |
| <b>Additions / Transfers</b>                           |                          |                          |
| - Transfer from Statement of Profit & Loss through OCI | (2,047.99)               | 7,251.61                 |
| <b>Closing Balance</b>                                 | <b>7,545.69</b>          | <b>9,593.68</b>          |

### Retained Earnings

(Rupees in '000)

| Particulars                             | As at 31st March<br>2025 | As at 31st March<br>2024 |
|---|--------------------------|--------------------------|
| Opening Balance                         | 1,22,556.58              | 1,15,970.76              |
| <b>Add : Profit/(Loss) for The Year</b> | <b>6,449.55</b>          | <b>6,585.83</b>          |
| <b>Closing Balance</b>                  | <b>1,29,006.13</b>       | <b>1,22,556.58</b>       |

# Afco Industrial and Chemicals Limited

## Notes to the Financial Statements for year ended 31st March 2025

### Note 10 : Provisions

(Rupees in '000)

| Sr. No. | Particulars   | 31st March 2025 |               | 31st March 2024 |               |
|---------|---|-----------------|---------------|-----------------|---------------|
|         |   | Current         | Non Current   | Current         | Non Current   |
| i)      | Provisions for Employee Benefits - Gratuity         | -               | 287.50        | -               | 234.23        |
| ii)     | Provisions for Employee Benefits - Leave Encashment | -               | 464.52        | -               | 260.03        |
|         | <b>Total</b>  | -               | <b>752.02</b> | -               | <b>494.26</b> |

### Note 11. Borrowings

(Rupees in '000)

| Sr. No. | Particulars  | 31st March 2025 |             | 31st March 2024 |             |
|---------|--|-----------------|-------------|-----------------|-------------|
|         |  | Current         | Non Current | Current         | Non Current |
| i)      | Unsecured :<br>Inter corporate deposits from related parties<br>- Inter corporate deposits repayable on demand | 2,500.00        | -           | 2,500.00        | -           |
|         | <b>Total</b>   | <b>2,500.00</b> | <b>-</b>    | <b>2,500.00</b> | <b>-</b>    |

The Rate of Interest on Inter Corporate Deposits is 10% p.a (31st March 2023 : Nil)

The Company has used the Inter Corporate Deposits for the specific purpose for which it was availed during current year.

There is no default in repayment of Inter Corporate Deposits and interest during the year ended 31st March 2024.

### Note 12. Other Financial Liabilities

(Rupees in '000)

| Sr. No. | Particulars  | 31st March 2025 |             | 31st March 2024 |             |
|---------|--|-----------------|-------------|-----------------|-------------|
|         |  | Current         | Non Current | Current         | Non Current |
| i)      | Interest accrued on Inter Corporate Deposit (Refer Note No.24) | 331.35          | -           | 106.35          | -           |
| ii)     | Expenses payable   | 318.01          | -           | 246.00          | -           |
| iii)    | Due to Related Party (Holding Company)                         | 3,369.66        | -           | 3,369.59        | -           |
|         | <b>Total</b>   | <b>4,019.03</b> | <b>-</b>    | <b>3,721.94</b> | <b>-</b>    |

### Note 13. Other Current Liabilities

(Rupees in '000)

| Sr. No. | Particulars           | 31st March 2025 |             | 31st March 2024 |             |
|---------|-----------------------|-----------------|-------------|-----------------|-------------|
|         |                       | Current         | Non Current | Current         | Non Current |
| i)      | Statutory Liabilities | 89.73           | -           | 289.81          | -           |
|         | <b>Total</b>          | <b>89.73</b>    | <b>-</b>    | <b>289.81</b>   | <b>-</b>    |

### Note 14. Current Tax Liabilities (net)

(Rupees in '000)

| Sr. No. | Particulars                                  | 31st March 2025 |             | 31st March 2024 |             |
|---------|--|-----------------|-------------|-----------------|-------------|
|         |  | Current         | Non Current | Current         | Non Current |
| a)      | Provision for income Tax (net of taxes paid) | 1,019.43        | -           | 365.03          | -           |
|         | <b>Total</b>                                 | <b>1,019.43</b> | <b>-</b>    | <b>365.03</b>   | <b>-</b>    |

# Afco Industrial and Chemicals Limited

Notes to the Financial Statements for year ended 31st March 2025

## Note 15. Other Income

| (Rupees in '000) |                                       |                            |                            |
|------------------|---------------------------------------|----------------------------|----------------------------|
| Sr. No.          | Particulars                           | Year ended 31st March 2025 | Year ended 31st March 2024 |
| i)               | Interest Income                       |                            |                            |
|                  | - From FD                             | -                          | -                          |
|                  | - From Inter Corporate Deposits       | 11,230.00                  | 11,204.86                  |
|                  | - From Others                         | -                          | -                          |
| ii)              | Dividend Income                       | 111.64                     | 52.66                      |
| iii)             | Recovery of seconded employees salary | 1,711.18                   | 1,654.43                   |
|                  | <b>Total</b>                          | <b>13,052.82</b>           | <b>12,911.95</b>           |

## Note 16. Employee Benefits Expense

| (Rupees in '000) |  |                            |                            |
|------------------|--|----------------------------|----------------------------|
| Sr. No.          | Particulars                                  | Year ended 31st March 2025 | Year ended 31st March 2024 |
| i)               | Salary & Wages                               | 1,621.33                   | 1,570.77                   |
| ii)              | Contribution to Provident Fund & Other Funds | 90.76                      | 84.47                      |
| iii)             | Staff Welfare Expenses                       | -                          | -                          |
|                  | <b>Total</b>                                 | <b>1,712.08</b>            | <b>1,655.23</b>            |

## Note 17. Finance Cost

| (Rupees in '000) |                                     |                            |                            |
|------------------|-------------------------------------|----------------------------|----------------------------|
| Sr. No.          | Particulars                         | Year ended 31st March 2025 | Year ended 31st March 2024 |
| i)               | Interest on Inter Corporate Deposit | 250.00                     | 118.17                     |
|                  | <b>Total</b>                        | <b>250.00</b>              | <b>118.17</b>              |

## Note 18. Other Expenses

| (Rupees in '000) |  |                            |                            |
|------------------|--|----------------------------|----------------------------|
| Sr. No.          | Particulars                            | Year ended 31st March 2025 | Year ended 31st March 2024 |
| i)               | Insurance                              | 3.23                       | 1.44                       |
| ii)              | Rates and Taxes                        | 66.25                      | 60.73                      |
| iii)             | Rent (Refer Note No.30)                | 27.82                      | 27.82                      |
| iv)              | Electricity Expenses                   | 502.67                     | 395.71                     |
| v)               | Postage, telegrams and telephones      | 0.30                       | 2.21                       |
| vi)              | Repairs and Maintenance                |                            |                            |
|                  | - Building                             | -                          | -                          |
|                  | - Other repairs                        | 3.22                       | 12.60                      |
| vii)             | Legal and Professional Fees            | 1,203.46                   | 1,231.34                   |
| viii)            | Payment to auditors (Refer Note No.21) | 22.54                      | 52.45                      |
| ix)              | Security Charges                       | 364.69                     | 356.49                     |
| x)               | Sundry balances written off (net)      | 15.54                      | 6.63                       |
| xi)              | Security Deposits written off          | 70.96                      | -                          |
| xii)             | Miscellaneous expenses                 | 71.44                      | 104.26                     |
|                  | <b>Total</b>                           | <b>2,352.12</b>            | <b>2,251.69</b>            |

## Note 19 : Other Comprehensive (Loss)/Income (OCI)

| (Rupees in '000) |   |                            |                            |
|------------------|---|----------------------------|----------------------------|
| Sr. No.          | Particulars   | Year ended 31st March 2025 | Year ended 31st March 2024 |
| A)               | Items that will not be reclassified to Profit or Loss |                            |                            |
| i)               | Equity Instruments through other comprehensive income | (2,047.99)                 | 7,251.61                   |
|                  | <b>Total [A]</b>                                      | <b>(2,047.99)</b>          | <b>7,251.61</b>            |

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

### 1. Company overview

Afco Industrial & Chemicals Limited ("the Company") is a public limited company incorporated under the Companies Act, 1956 ('the Act') and a subsidiary of The Bombay Burmah Trading Corporation, Limited.

### 2. Accounting Policies

#### A) Material Accounting Policies

##### a) Statement of compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

##### b) Basis of preparation and presentation

###### i) Basis of Preparation

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

###### ii) Current-non-current classification

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

###### a) An asset shall be classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets.

###### b) All assets other than current assets shall be classified as non-current.

###### c) A liability shall be classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities.

###### d) All liabilities other than current liabilities are classified as non-current.

###### e) Based on the nature of activities of the company, the operating cycle for the purpose of classification of its assets & liabilities as current / non-current is considered as 12 months.

###### iii) Functional and presentation currency

These financial statements are presented in Indian rupees, which is the Company's functional and presentation currency.

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

iv) Key estimates and judgements

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize. Estimates and underlying assumptions are reviewed on an ongoing basis. Any changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in notes to the financial statements.

v) Property, Plant and Equipment and Intangible assets

Property, Plant & Equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant & Equipment includes inward freight, duties, taxes and incidental expenses related to acquisition and installation incurred up to the date of commissioning of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

An item of Property, Plant & Equipment initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use.

Gains or losses arising from disposals of assets are measured as the difference between the net disposal proceeds and the carrying value of the asset on the date of disposal and are recognised in the statement of profit and loss, in the period of disposal.

vi) Depreciation and amortization

Depreciation is provided on the written down value method ('WDV') based on the useful life of the asset as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions or on disposals is provided pro-rata from the date the assets are put to use or up to the date of such disposal as the case may be. The Property, Plant & Equipment individually costing less than Rs 5000 are depreciated fully in the year of purchase.

vii) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### vii) Investments

Investments are carried at Fair value through Other Comprehensive Income. In case of quotations not available for investments, the fair value is deemed to approximate to cost.

### ix) Income taxes

Tax expense comprises of current tax and deferred tax.

Current tax comprises of the expected tax payable on the taxable income for the year, after considering tax allowances and exemptions and using applicable tax rates and laws.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

### x) Revenue Recognition

Dividend income is recognized when the right to receive payment is established.

Revenue in respect of Interest or other income is recognized only when it is reasonably certain that the ultimate collection will be made.

### xi) Provisions and Contingencies

a) A provision is recognized when the Company has a present obligation as a result of past events 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

b) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying benefits is remote, no provision or disclosure is made.

### xii) 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. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

### a) Financial assets

Classification: On initial recognition, a financial asset is classified as, measured at:

- Amortized cost
- Fair Value through Other comprehensive Income (FVOCI)
- Fair value through Profit and Loss (FVTPL)

#### a. Initial recognition and measurement

All financial assets are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset in the case of financial assets not recorded at fair value through profit or loss. 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 trade date, i.e., the date that the company commits to purchase or sell the asset.

#### Equity investments

All equity investments are measured at fair value through Other Comprehensive Income

#### b. Subsequent measurement

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

#### Financial Asset at amortised cost:

A Financial Asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### Financial Asset at FVTOCI :

(Fair Value through Other Comprehensive Income)

A Financial Asset is classified as at the FVTOCI if following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows (i.e. SPPI) and selling the financial assets

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

Financial 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 and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Financial Assets at FVTPL (Fair Value through Profit or Loss):

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### c. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### d. Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

- Trade receivables or any contractual right to receive cash or another financial asset
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk rather; it recognises impairment loss allowance based on 12 months ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

### b) Financial Liabilities

Classification: All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. On initial recognition, a financial asset is classified as, measured at:

- Amortized cost
- Fair value through Profit and Loss (FVTPL)

#### a. Initial Recognition and Measurement:

Financial liabilities are classified as, measured at Amortized cost.

#### b. Subsequent measurement

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method.

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. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss is 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 risks are recognized in OCI. These gains / losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity.

All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

### c. De-recognition

A financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## B) Other Accounting Policies

### i) Employee benefits

#### (a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short-term

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

compensated absences, etc. and the expected cost of ex-gratia is recognized in the year in which the employee renders the related service.

### (b) Post-employment benefits

i) Defined Contribution Plans: The Company's contribution to the recognized provident fund is a defined contribution plan. Further, the said expense is being recovered from the respective companies for which the employees are working. However, where the employee is rendering service to the company, the contributions paid or payable by the Company in respect of that employee are recognized as an expense in the statement of profit and loss in the year in which the employee renders the related service.

(ii) Defined Benefit Plans: The Company's gratuity scheme is a defined benefit plan. The provision for gratuity for the employees have been made as per the Payment of Gratuity Act, 1972. Further, the said gratuity expense is being recovered from the respective companies for which the employees are working. However, where the employee is rendering service to the company, the gratuity paid or payable by the Company in respect of his share are recognized as an expense in the statement of profit and loss in the year in which the employee renders the related service.

iii) Other Long Term Employee Benefit: Compensated absences for staff are provided for on accrual basis according to the rules of the companies. The Employees are entitled to accumulate leave subject to certain limit for future encashments / availment. Further, the said expense is being recovered from the respective companies for which the employees are working. However, where the employee is rendering service to the company, the compensated absences paid or payable by the Company in respect of his share are recognized as an expense in the statement of profit and loss in the year in which the employee renders the related service.

### ii) Earnings per share

The basic and diluted earnings per share (EPS) is computed by dividing Net Profit after tax for the year by weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date.

### iii) Leases:

#### Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months or less and low value leases. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### iv) Borrowing Costs

Borrowing cost includes interest, amortisation, of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition,

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

v) *Exceptional items*

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to assist users in understanding the financial performance achieved and in making projections of future financial performance, the nature and amount of such material items are disclosed separately as exceptional items.

### 20. Micro, Small and Medium Enterprises

Based on the information and records available with the management, there are no dues outstanding to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March 2025 and as at 31 March 2024.

### 21. Payment to auditors (excluding Goods & Service Tax)

| Particulars               | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|---------------------------|-------------------------------------|-------------------------------------|
| Statutory Audit fee       | 20.00                               | 50.00                               |
| Reimbursement of expenses | 2.54                                | 2.45                                |
| <b>Total</b>              | <b>20.54</b>                        | <b>52.45</b>                        |

### 22. Segment reporting

Based on guiding principles in the Ind-AS 108 - "Operating Segments," the primary business segment of the Company is manufacturing and marketing of Electronic components (heat sinks and heat dissipaters). As the Company operates in a single primary business segment, disclosure requirements of Ind-AS 108 are not applicable. There is no reportable secondary segment.

### 23. Earnings per share

| Particulars   | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|---|-------------------------------------|-------------------------------------|
| Net profit/(loss) attributable to equity shareholders<br>(as per the statement of profit and loss)              | 6,449.55                            | 6,585.83                            |
| <b>Calculation of weighted average number of<br/>equity shares for basic and diluted earnings per<br/>share</b> |                                     |                                     |
| Number of equity shares at the beginning of the<br>year   | 76,050                              | 76,050                              |
| Number of equity shares at the end of the year  | 76,050                              | 76,050                              |
| Weighted average number of equity shares<br>outstanding during the year   | 76,050                              | 76,050                              |
| Basic and diluted earnings per equity share of Rs<br>100 each   | 84.81                               | 86.60                               |

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

### 24. Related Party Disclosures

Related party and nature of the related party relationship where control exists, irrespective of whether or not there have been transactions between the related parties are reported as follows:

|   |
|---|
| <p><b><u>Holding Company (ultimate control):</u></b><br/>The Bombay Burmah Trading Corporation Limited (BBTCL)</p> <p><b><u>Fellow Subsidiary:</u></b><br/>Sea Wind Investment &amp; Trading Co Ltd<br/>DPI Products &amp; Services Ltd.</p> <p><b><u>Entities in which a director is a director/Entities under Common Control (Other Related Party):</u></b><br/>Nowrosjee Wadia &amp; Sons Limited<br/>INOR Medical Products Limited<br/>Medical Microtechnology Limited<br/>The Bombay Burmah Trading Employees Welfare Company Limited<br/>The Bombay Dyeing and Manufacturing Company Limited<br/>B.R.T Limited</p> <p><b><u>Trust wherein the Company has the control:</u></b><br/>Afco Industrial and Chemicals Ltd. Employee's Group Gratuity Scheme</p> <p><b><u>Key Management Personnel:</u></b><br/>Mr. Nitin Hariyantlal Datarwala<br/>Ms. Ramasubramaniam Jayshree<br/>Mr. Rustom Adi Sui</p> |
|---|

Transactions with related party have been set out as below:

| Related Party                        | Relationship        | Nature of Transaction                         | Year ended March 31, 2025 | Year ended March 31, 2024 |
|--------------------------------------|---------------------|---|---------------------------|---------------------------|
| The Bombay Burmah Trading Corp. Ltd. | Holding Company     | Expenses charged by them                      | 3.82                      | 1.70                      |
|                                      |                     | Payment made by Holding Company on our behalf | 0.08                      | -                         |
| Nowrosjee Wadia & Sons Ltd.          | Other Related Party | Expenses charged to them                      | 2,321.45                  | 1,928.74                  |
| INOR Medical Products Ltd            | Other Related Party | Interest on ICD                               | 11,000.00                 | 11,000.00                 |
|                                      |                     | Amount Received                               | 1629.34                   | -                         |

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

| Related Party   | Relationship                              | Nature of Transaction                        | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|--|---------------------------|---------------------------|
| B.R.T Ltd   | Other Related Party                       | Inter Corporate Deposit (ICD) taken          | -                         | 2,500.00                  |
|   |   | Interest on ICD                              | 250.00                    | 118.17                    |
| Sea Wind Investment & Trading Co Ltd                                | Fellow Subsidiary                         | Inter Company Deposit (ICD) given            | -                         | 1,500.00                  |
|   |   | Interest on ICD                              | 230.00                    | 204.86                    |
| Medical Microtechnology Ltd.  | Other Related Party                       | Amount Received                              | 10.07                     | -                         |
| Afco Industrial and Chemicals Ltd. Employee's Group Gratuity Scheme | Trust wherein the Company has the control | Gratuity settlement received for an Employee | -                         | 1,445.00                  |

### Outstanding balances as on March 31, 2025

| Related Party                                   | Relationship             | Nature of outstanding balance  | March 31, 2025 | March 31, 2024 |
|---|--------------------------|--|----------------|----------------|
| The Bombay Burmah Trading Corp. Ltd.            | Holding Company          | Other Financial Liabilities  | 3,369.66       | 3,369.59       |
|   |                          | Share Capital  | 7,603.80       | 7,603.80       |
| Nowrosjee Wadia & Sons Ltd.                     | Other Related Party      | Other Financial Assets – Receivable from Related Parties                   | 950.49         | 688.10         |
| Medical Microtechnology Ltd.                    | Other Related Party      | Other Financial Assets – Receivable from Related Parties                   | -              | 10.07          |
| INOR Medical Products Ltd                       | Other Related Party      | Other Financial Assets – Receivable from Related Parties                   | -              | 629.34         |
|   |                          | Other Financial Assets - Interest accrued on Inter Corporate Deposits      | 25,146.85      | 16,246.85      |
|   |                          | Loans – Inter Corporate Deposits receivable                                | 1,10,000.00    | 1,10,000.00    |
| Sea Wind Investment & Trading Co Ltd            | Other Related Party      | Other Financial Assets – Interest accrued on Inter Corporate Deposits      | 410.12         | 203.12         |
|   |                          | Loans – Inter Corporate Deposits receivable                                | 2300.00        | 800.00         |
| B.R.T Ltd                                       | Other Related Party      | Other Financial Liabilities – Interest payable on Inter Corporate Deposits | 331.35         | 106.35         |
|   |                          | Borrowings – Inter Corporate Deposits payable                              | 2,500.00       | 2,500.00       |
| Mr. Nitin Hariyantlal Datanwala                 | Key Management Personnel | Share Capital  | 0.20           | 0.20           |
| Ms. Ramasubramaniam Jayshree jointly with BBTCL | Key Management Personnel | Share Capital  | 0.20           | 0.20           |

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

| Related Party                         | Relationship             | Nature of outstanding balance | March 31, 2025 | March 31, 2024 |
|---------------------------------------|--------------------------|-------------------------------|----------------|----------------|
| Mr. Rustom Adi Sui jointly with BBTCL | Key Management Personnel | Share Capital                 | 0.20           | 0.20           |

Investments in share capital of related parties of the Company is not considered under 'Outstanding balances' as these are not considered 'outstanding' exposures.

### 25. Taxation

#### a. Deferred taxes

| Particulars   | 31 March 2025   | 31 March 2024   |
|---|-----------------|-----------------|
| <b>Deferred Tax Asset</b>   |                 |                 |
| Provision for leave encashment / Gratuity   | -               | 124.40          |
| On unabsorbed business losses   | 1,641.21        | 1,641.21        |
| Difference in Written Down Value of fixed assets/<br>Depreciation   | 30.92           | 29.67           |
| <b>Deferred tax assets (net)</b>  | <b>1,672.13</b> | <b>1,795.28</b> |
| The deferred tax assets of Rs.1,672.13 (Previous Year: Rs.1,795.28) is not recognized as it is not considered to be virtually certain of realisation. |                 |                 |

#### b. Tax Expense

##### i. Expense recognized in Profit or Loss

| Particulars                           | 31 <sup>st</sup> March 2025 | 31 <sup>st</sup> March 2024 |
|---------------------------------------|-----------------------------|-----------------------------|
| <b>Current Tax</b>                    |                             |                             |
| Current Year on Profit for the year   | 2,191.73                    | 2,223.15                    |
| Tax relating to previous year         | 50.53                       | 9.44                        |
| <b>Total Tax Expense for the year</b> | <b>2,242.26</b>             | <b>2,232.58</b>             |

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

### ii. Reconciliation of Tax Expense & the Accounting Profit multiplied by India's Tax Rate

| Particulars   | 31 <sup>st</sup> March 2025 | 31 <sup>st</sup> March 2024 |
|---|-----------------------------|-----------------------------|
| Accounting Profit before Income Tax (including exceptional item)                      | 8,703.431                   | 8,818.41                    |
| Applicable Indian Statutory Income Tax Rate (in %)                                    | 25.17%                      | 25.17%                      |
| Computed Expected Tax Expense (A)   | 2,190.65                    | 2,219.58                    |
| <b>Tax Effect of :</b>  |                             |                             |
| Tax Effect of Amount which are not deductible/(taxable) in calculating Taxable Income | 1.08                        | 3.56                        |
| Effect of Tax Rate on Capital Gain  | -                           | -                           |
| Tax relating to previous year   | 50.53                       | 9.44                        |
| Total Tax Effect (B)  | 51.61                       | 13.00                       |
| <b>Total Tax Expense as per Statement of Profit &amp; Loss (A+B)</b>                  | <b>2,242.26</b>             | <b>2,232.58</b>             |

#### Note:

(a) Company has adopted the New Tax regime under section 115BAA as inserted in the Income Tax Act, 1961.

### 26. Disclosures as per section 186 of the Act

#### Inter Corporate Deposits given during the year

| Name of the Borrower                 | Rate of Interest for the year ended March 31, 2025 | Term   | "Secured / unsecured" | As at March 31, 2025 | As at March 31, 2024 | Amount given during the year |
|--------------------------------------|--|--|-----------------------|----------------------|----------------------|------------------------------|
| Sea wind Investment & Trading Co Ltd | 10.00%   | 2 years / Repayable demand, whichever is earlier | On is Unsecured       | 2,300.00             | 800.00               | -                            |
| INOR Medical Products Ltd            | 10.00%   | Repayable demand                                 | On is Unsecured       | 1,10,000.00          | 1,10,000.00          | -                            |

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

### 27. Additional Regulatory information:

#### i) Loans and advances to promoters, Directors, Key Managerial Personnel and Related Parties:

The Company has not given any loans and advances in the nature of loan to promoters, directors and Key Managerial Personnel

However, the company has given loans to other related parties, which are repayable on demand, as mentioned below :

| Type of Borrower | Year ended March 31, 2025                                   |   | Year ended March 31, 2024                                   |   |
|------------------|---|---|---|---|
|                  | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
| Related Parties  | 1,12,300.00   | 100%  | 1,12,300.00   | 100%  |
| <b>Total</b>     | <b>1,12,300.00</b>  | <b>100%</b>   | <b>1,12,300.00</b>  | <b>100%</b>   |

#### ii) Registration of Charges or Satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction that are registered or required to be registered with ROC within the statutory period for the financial year ended March 31, 2025 and March 31, 2024.

#### iii) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2025 and March 31, 2024.

#### iv) Undisclosed Income

There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

#### v) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year ended March 31, 2025 and March 31, 2024.

#### vi) Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

### vii) Fraud Reporting

The Company has not reported any fraud during the year ended March 31, 2025 and March 31, 2024.

### viii) Relationship with Struck off companies

The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year.

### ix) Details of Benami Property held

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

x) No funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), 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.

xi) No funds have been received by the Company from any person(s) or entity(ies), 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.

### xii) Financial ratios and reasons for material variances are as given below:

| Ratio                       | Ratio definition                                   | Numerator   | Denominator | Current Period | Previous Period | % Variance | Reason for variance |
|-----------------------------|--|-------------|-------------|----------------|-----------------|------------|---------------------|
| Current Ratio               | Current Assets / Current Liabilities               | 1,39,810.22 | 7,628.19    | 18.33          | 19.23           | (4.69)     |                     |
| Debt-equity ratio           | Debt / Equity                                      | 2,500.00    | 1,44,156.82 | 0.02           | 0.02            | (3.05)     |                     |
| Debt service coverage ratio | Earnings available for Debt Service / Debt Service | 8,988.62    | 2,831.35    | 3.17           | 3.46            | (8.11)     |                     |
| Return on equity ratio      | Profit after tax / (Average shareholders' Equity)  | 6,449.55    | 1,41,956.04 | 0.05           | 0.05            | (8.36)     |                     |

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

|                                 |   |            |             |        |      |          |   |
|---------------------------------|---|------------|-------------|--------|------|----------|---|
| Inventory Turnover ratio        | NA  | NA         | NA          | NA     | NA   | NA       | Not applicable since company has no inventory.            |
| Trade receivable turnover ratio | NA  | NA         | NA          | NA     | NA   | NA       | Not applicable since company has no Trade receivable.     |
| Trade Payable Turnover ratio    | NA  | NA         | NA          | NA     | NA   | NA       | Not applicable since company has no trade payable.        |
| Net Capital Turnover ratio      | NA  | NA         | NA          | NA     | NA   | NA       | Not Applicable since company has no Turnover.             |
| Net profit ratio                | Profit after tax /Net sales   | NA         | NA          | NA     | NA   | NA       | Not Applicable since the company has no sales.            |
| Return on Investment            | Change in investment value at year end as compared to the beginning of the year / Investment at the beginning of the year | (2,048.00) | 13,119.98   | (0.16) | 1.24 | (112.63) | This is based on the performance of the Financial Markets |
| Return on capital employed      | Profit before interest and taxes / Capital employed = tangible net worth+ total debt+ deferred tax liability              | 8,937.89   | 1,44,156.82 | 0.06   | 0.06 | (3.04)   |   |

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

### 28. Other Notes

#### Financial instruments – Fair values and risk management

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

#### A. Accounting classification and fair values

| Particulars                         | Carrying Amount |           |                |             | Fair Value |         |             |             |
|-------------------------------------|-----------------|-----------|----------------|-------------|------------|---------|-------------|-------------|
|                                     | FVTPL           | FVTOCI    | Amortized Cost | Total       | Level 1    | Level 2 | Level 3     | Total       |
| March 31, 2025                      |                 |           |                |             |            |         |             |             |
| Financial Assets                    |                 |           |                |             |            |         |             |             |
| Non-Current Investments             | -               | 11,071.98 | -              | 11,071.98   | 10,976.68  | -       | 95.30       | 11,071.98   |
| Other Non Current Financial Assets  | -               | -         | 82.81          | 82.81       | -          | -       | 82.81       | 82.81       |
| Cash & Cash Equivalent              | -               | -         | 821.66         | 821.66      | -          | -       | -           | -           |
| Loans                               | -               | -         | 1,12,300.00    | 1,12,300.00 | -          | -       | 1,12,300.00 | 1,12,300.00 |
| Other Current Financial Assets      | -               | -         | 26,688.56      | 26,688.56   | -          | -       | 26,688.56   | 26,688.56   |
| Financial Liabilities               |                 |           |                |             |            |         |             |             |
| Borrowings                          | -               | -         | 2,500.00       | 2,500.00    | -          | -       | 2,500.00    | 2,500.00    |
| Other Current Financial Liabilities | -               | -         | 4,019.03       | 4,019.03    | -          | -       | 4,019.03    | 4,019.03    |
| March 31, 2024                      |                 |           |                |             |            |         |             |             |
| Financial Assets                    |                 |           |                |             |            |         |             |             |
| Non-Current Investments             | -               | 13,119.97 | -              | 13,119.97   | 13,024.67  | -       | 95.30       | 13,119.97   |
| Other Non Current Financial Assets  | -               | -         | 149.74         | 149.74      | -          | -       | 149.74      | 149.74      |
| Cash & Cash Equivalent              | -               | -         | 1,975.26       | 1,975.26    | -          | -       | -           | -           |
| Loan receivable                     | -               | -         | 1,12,300.00    | 1,12,300.00 | -          | -       | 1,12,300.00 | 1,12,300.00 |

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

|                                     |   |   |           |           |   |   |           |           |
|-------------------------------------|---|---|-----------|-----------|---|---|-----------|-----------|
| Other Current Financial Asset       | - | - | 17,958.60 | 17,958.60 | - | - | 17,958.60 | 17,958.60 |
| Financial liabilities               |   |   |           |           |   |   |           |           |
| Borrowings                          | - | - | 2,500.00  | 2,500.00  | - | - | 2,500.00  | 2,500.00  |
| Other Current Financial Liabilities | - | - | 3,721.94  | 3,721.94  | - | - | 3,721.94  | 3,721.94  |

### B. Measurement of fair values

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

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

Level 2 : Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Valuation techniques and significant unobservable inputs.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

| Type              | Valuation technique  | Significant unobservable inputs         | Inter-relationship between significant unobservable inputs and fair value measurement |
|-------------------|--|---|---|
| Equity securities | Net asset valuation: This valuation technique derives the value of an investment by reference to the value of its net assets. This technique is used for investments whose value is derived mainly from the underlying fair value of their assets. | Net assets of the underlying investment | Not applicable  |

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

### C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Price risk

#### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**Credit risk:** Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from cash and cash equivalents and other financial assets.

The carrying amount of following financial assets (excluding equity investments) represents the maximum credit exposure:

Cash and cash equivalents

The Company held cash and cash equivalents of Rs.821.66 at March 31, 2024 (March 31, 2024: Rs. 1,975.26). The credit risk for cash and cash equivalents is considered negligible since the cash and cash equivalents are held with banks with good credit ratings.

Loans and other financial assets

In respect of loans and other financial assets aggregating to Rs. 1,38,983.46 as at March 31, 2025 (March 31, 2024: Rs. 1,30,542.84), there were no indications as at March 31, 2025, and March 31, 2024, that defaults in payment obligations will occur since the counterparties are reputed organisations with no history of default to the company and no unfavorable forward looking macro economic factors.

**Liquidity risk:** Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The following table highlights the remaining contractual maturities of financial liabilities at the reporting dates. The amounts are gross and undiscounted, and include estimated interest payments.

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

| As at March 31, 2025        | Carrying Amount | Contractual cash flows<br>On Demand |
|-----------------------------|-----------------|-------------------------------------|
| Borrowings                  | 2,500.00        | 2,500.00                            |
| Other Financial Liabilities | 331.35          | 331.35                              |

**Market risk:** Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and borrowings. The Company is exposed to Market risk primarily related to the market value of its investments. Thus, the company's exposure to market risk is a function of investing and borrowing activities.

**Interest rate risk:** Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the market interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Company is not exposed to changes in market interest rates in so far it relates to fixed rate borrowings. Below is the overall exposure of the Company to interest rate risk :

| Particulars           | As at March 31, 2025 | As at March 31, 2024 |
|-----------------------|----------------------|----------------------|
| Fixed Rate Borrowings | 2,500.00             | 2,500.00             |

**Price Risk:** Price risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices not related to interest rate risk or currency exchange risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The entities exposure to equity securities price arises from investments held by the entity and classified in the Balance Sheet as Fair Value through OCI.

The table below summarise the impact of increase/decrease of the index on the Company's equity and statement of profit and loss. The analysis is based on the assumption that the price of the instrument has increase by 2% or decreased by 2% with all other variables held constant.

| Particulars                    | 31-Mar-25 | 31-Mar-24 |
|--------------------------------|-----------|-----------|
| <b>Investments</b>             |           |           |
| Market prices - Increase by 2% | 219.53    | 260.49    |
| Market prices - Decrease by 2% | (219.53)  | (260.49)  |

**Capital Management:** The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

29. The Company has certain cancellable arrangements (short term leases) which has not been recognised as a liability being short term or low value in nature. The Rental expense recorded for low value leases was Rs.27.82 for the year ended March 31, 2025 and Rs.27.82 for the year ended March 31, 2024.

# Afco Industrial and Chemicals Limited

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2025

(Currency: Rupees '000)

30. The disclosures as per Ind-AS are to the extent applicable, relevant, significant or material in the preparation and presentation of these financial statements.
31. Comparative figures have been regrouped / reclassified wherever necessary to confirm to current year's presentation.

As per our report of even date attached.

**For CHIRAG SHAH & ASSOCIATES**

Chartered Accountants  
Firm's Registration No:133561W

*Chirag Shah*

**Chirag Shah**  
Proprietor  
Membership No:145211



Mumbai  
Date: May 09, 2025

For and on behalf of the Board of Directors of  
**Afco Industrial and Chemicals Limited**  
CIN-U24110MH1983PLC012744

*Lalita*

**Lalita Rajesh**  
Director  
DIN-06485569

Mumbai  
Date: May 09, 2025

*Alok*

**Alok Sureka**  
Director  
DIN-09400073

Mumbai  
Date: May 09, 2025