# MITTAL GUPTA & CO.

**Chartered Accountants**

**Regd. Off : 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.**

**Phone :0512-2303235, 2303234 # E –mail : mgco@mgcoca.in**

## INDEPENDENT AUDITOR'S REPORT

**To**

**The Members of**

**Dhampur Bio Organics Limited**

**(Formerly RMSD Enterprises Private Limited)**

### Opinion

We have audited the accompanying financial statements of **Dhampur Bio Organics Limited (Formerly RMSD Enterprises Private Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive loss, changes in equity and its cash flows for the period ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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**Management's Responsibility for the Financial Statement**

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

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

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

A further description of our responsibilities for the audit of financial statements is included in Annexure "A" of this Auditors report of Dhampur Bio Organics Limited (Formerly RMSD Enterprises Private Limited) for the financial year ending March 31, 2021.

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**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure – 'B' a statement on the matters specified in paragraphs 3 and 4 of the Order;

2. As required by Section143(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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the 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 C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

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, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

   ii) The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

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iii) As explained, there has been no amount required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR MITTAL GUPTA & CO.**

Chartered Accountants

FRN 01874C

**(Akshay Kumar Gupta )**

Partner

Membership No. 070744

Place: Kanpur

Date: 24.04.2021

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

The annexure referred to in the auditor's report of Dhampur Bio Organics Limited (Formerly RMSD Enterprises Private Limited) for the year ended March 31, 2021.

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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

MITTAL GUPTA & CO. 14 Ratan Mahal 15/197 Civil Lines Kanpur-1 Chartered Accountants

internal control that we identify during our audit.

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

**FOR MITTAL GUPTA & CO.**
Chartered Accountants
FRN 01874C

**(Akshay Kumar Gupta)**
Partner
Membership No. 070744

Place: Kanpur
Date: 24.04.2021

# MITTAL GUPTA & CO.

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

The Annexure – 'B' referred to in our Independent Auditors' Report of even date to the members of the Dhampur Bio Organics Limited (Formerly RMSD Enterprises Private Limited) on the financial statements for the year ended March 31, 2021:

i) The Company is not having any property, plant & equipment. Accordingly, the paragraph 3(i) of the order is not applicable to the company.

ii) The company is not carrying any inventories. Accordingly, the paragraph 3(ii) of the order is not applicable to the company.

iii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not granted any loans to companies, firms, LLP or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable to the company.

iv) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not granted any loans or made any investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Companies Act 2013. Accordingly, the provisions of clause 3(iv) of the said order are not applicable to the Company.

v) According to the information and explanations given to us, in our opinion, the Company has not accepted any deposits from the public within the meaning of section 73, 74, 75 and 76 of the Act read with the Companies (Acceptance & Deposit) Rules 2014 and other relevant provisions of the Act, to the extent notified. Accordingly, the provisions of clause 3(v) of the said order are not applicable to the Company.

vi) The Central Government has not prescribed maintenance of Cost Records U/s-148 (1) of the Act, in respect of activities of the company.

vii) In respect of statutory dues:

a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Income-tax, Tax deducted at sources, Tax collected at source, Sales Tax, value added tax (VAT), Goods and Service Tax (GST), Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it, with the appropriate authorities though there has been slight delay in few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

b) According to the records of the company and information and explanations given to us, there are no outstanding statutory dues that have not been deposited on account of any dispute.

viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institutions or banks or government or debenture holders as at the balance sheet date. Accordingly, the provision of paragraphs 3(viii) of the said order are not applicable to the company.

MITTAL GUPTA & CO. 14 Ratan Mahal 15/197 Civil Lines Kanpur-1 Chartered Accountants

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ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the company.

x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi) According to the information and explanations given to us and based on our examinations of the records, the Company has not paid/provided managerial remuneration to any director during the year. Accordingly, the provisions of section 197 read with Schedule V to the Act are not applicable to the company.

xii) As the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) are not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly Convertible Debenture during the year under review. Accordingly, the provision of Clause 3(xiv) of the Order is not applicable to the company.

xv) The Company has not entered into any non- cash transactions with its directors or persons connected with him. Accordingly, the provision of Clause (xv) of the Order is not applicable to the company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of Clause (xvi) of the Order is not applicable to the company.

**FOR MITTAL GUPTA & CO.**

Chartered Accountants

FRN 01874C

MITTAL GUPTA & CO. 14 Ratan Mahal 15/197 Civil Lines Kanpur-1 Chartered Accountants

**(Akshay Kumar Gupta)**

Partner

Membership No. 070744

Place: Kanpur

Date: 24.04.2021

MITTAL GUPTA & CO.
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ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

**(The Annexure – 'C' referred to in our Independent Auditors' Report to the members of the Dhampur Bio Organics Limited (Formerly RMSD Enterprises Private Limited) on the financial statements for the year ended March 31, 2021)**

**Report on the Internal Financial Controls with reference to financial statement under Clause (i) of Sub-Section 3 of Section 143 of the Act.**

1. We have audited the internal financial controls with reference to financial statements of RMSD Enterprises Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial control with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the standards on auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to financial statements, both applicable to an audit of internal financial controls with reference to financial statements and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of 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 based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

MITTAL GUPTA & Co. 14 Ratan Mahal 15/197 Civil Lines Kanpur-1 Chartered Accountants

# MITTAL GUPTA & CO.

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

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

6. A Company's internal financial controls 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 controls 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 Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditure of the company are being made only in accordance of authorizations of management and directors of the company; and (3)provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use, or dispositions of the company's assets that could have a material effect on Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management over ride of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls 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**

8. 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, 2021, 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 issued by the Institute of Chartered Accountants of India.

**FOR MITTAL GUPTA & CO.**

Chartered Accountants

FRN 01874C

**(Akshay Kumar Gupta)**

Partner

Membership No. 070744

Place: Kanpur

Date: 24.04.2021

**DHAMPUR BIO ORGANICS LIMITED**
**(Formerly known as RMSD Enterprises Private Limited)**
**CIN No :-U15100UP2020PLC136939**
**BALANCE SHEET AS AT MARCH 31, 2021**

*(Amount in INR)*

| S. No. | Particulars | Note No. | As at March 31, 2021 |
|---|---|---|---|
| | **ASSETS** | | |
| (1) | **Non - current assets** | | |
| | (a) Property, plant and equipment | | - |
| | (b) Other intangible assets | | - |
| | (c) Financial assets | | |
| | (i) Loans | | - |
| | (ii) Others financial assets | | - |
| | (d) Deferred tax asset (net) | | - |
| | (e) Income tax assets(net) | | - |
| | (f) Other non - current assets | | - |
| | **Total Non - current assets** | | - |
| (2) | **Current assets** | | |
| | (a) Inventories | | - |
| | (b) Financial assets | | |
| | (i) Trade receivables | | - |
| | (ii) Cash and cash equivalents | 3 | 34,159 |
| | (iii) Loan receivables | | - |
| | (iv) Other financial assets | | - |
| | (c) Other assets | | - |
| | (d) Assets held for dosposal | | - |
| | **Total current assets** | | **34,159** |
| | **Total assets** | | **34,159** |
| | **Equity and liabilities** | | |
| (1) | **EQUITY** | | |
| | (a) Share Capital | 4 | 1,00,000 |
| | (b) Other equity | 5 | (77,641) |
| | **Total Equity** | | **22,359** |
| | **LIABILITIES** | | |
| (2) | **Non - current liabilities** | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | | |
| | (b) Other Liabilities | | - |
| | **Total Non - current liabilities** | | - |
| (3) | **Current liabilities** | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | | - |
| | (ii) Trade payables | 6 | |
| | - Due of MSME | | - |
| | - Due of other than MSME | | 11,800 |
| | (iii) Other Financial Liabilities | | - |
| | (b) Other Liabilities | | - |
| | **Total current liabilities** | | **11,800** |
| | **Total Equity and liabilities** | | **34,159** |

**The accompanying notes from 1 to 18 form an integral part of the financial statements**

**This is the Balance Sheet referred to in our report of even date**
**For Mittal Gupta & Co.**
Chartered Accountants
Firm Registration No: 01874C

(Akshay Kumar Gupta)
Partner
M.No.-070744

Place : Kanpur
Date : April 24, 2021

**For and on behalf of the Board of Directors**

(Mukul Sharma)
Director
DIN-00078995

(Nalin Kumar gupta)
Director
DIN-01670036

Place : New Delhi
Date : April 24, 2021

**DHAMPUR BIO ORGANICS LIMITED**
**(Formerly known as RMSD Enterprises Private Limited)**
**CIN No :-U15100UP2020PLC136939**
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021**

*(Amount in INR)*

| S. No. | Particulars | Note No. | Period Ended March 31 2021 |
|---|---|---|---|
| (1) | Revenue from operations | | - |
| | Other income | | - |
| | **Total Income** | | - |
| (2) | **Expenses** | | |
| | Purchase of Stock-in-Trade | | - |
| | Changes in inventories of finished goods, stock - in - trade and work - in - progress | | - |
| | Employee benefits expenses | | - |
| | Finance costs | | - |
| | Depreciation and amortization expenses | | - |
| | Other expenses | 7 | 77,641 |
| | **Total Expenses** | | **77,641** |
| (3) | **Profit / (loss) before exceptional items and tax** | | (77,641) |
| (4) | Exceptional items | | - |
| (5) | **Profit / (loss) before tax** | | **(77,641)** |
| (6) | **Tax expense** | | |
| | (a) Current tax | | - |
| | (b) Deferred tax | | - |
| | | | - |
| (7) | **Profit / (loss) for the period** | | **(77,641)** |
| | **Other comprehensive income/(losses)** | | |
| | (i) Items that will not be reclassified to profit & loss : | | - |
| | (ii) Income tax relating to item that will not be reclasified to profit & loss | | - |
| | (ii) Items that will be reclassified to profit & loss | | - |
| (8) | **Total Other comprehensive income** | | - |
| (9) | **Total comprehensive income** | | **(77,641)** |
| (10) | **Earnings per equity share of face share of Rs 10/- each** | | |
| (11) | **Basic & Diluted Earning Per Share (Rs)** | 8 | **(18.05)** |

**The accompanying notes from 1 to 18 form an integral part of the financial statements**

**This is the Balance Sheet referred to in our report of even date**
**For Mittal Gupta & Co.**
Chartered Accountants
Firm Registration No: 01874C

(Akshay Kumar Gupta)
Partner
M.No.-070744

Place : Kanpur
Date : April 24, 2021

**For and on behalf of the Board of Directors**

(Mukul Sharma)
Director
DIN-00078995

(Nalin Kumar gupta)
Director
DIN-01670036

Place : New Delhi
Date : April 24, 2021

**DHAMPUR BIO ORGANICS LIMITED**
**(Formerly known as RMSD Enterprises Private Limited)**
**CIN No :-U15100UP2020PLC136939**
**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED MARCH 31, 2021**

*(Amount in INR)*

| | Particulars | Period ended March 31, 2021 |
|---|---|---|
| A | **Cash flow from operating activities** | |
| | Net Profit / (loss) before exceptional items and tax | (77,641) |
| | **Adjustments to reconcile profit before exceptional items and extra ordinary items and tax to net cash flow provided by operating activities :** | |
| | Depreciation and impairment of property, plant and equipment | - |
| | Balance written off | - |
| | Interest costs | - |
| | **Operating profit before working capital adjustments** | (77,641) |
| | **Working capital adjustments** | |
| | (Increase) /Decrease in trade receivables | - |
| | (Increase) /Decrease in inventories | - |
| | (Increase)/Decrease in non current and other current financial Assets | - |
| | (Increase)/Decrease in non current and other current assets | - |
| | Increase / (Decrease) in trade and other payables | 11,800 |
| | Increase/(Decrease) in other financial current liabilities | - |
| | Increase/(Decrease) in other current liabilities | - |
| | **Cash generated from operations** | (65,841) |
| | Tax paid/ ( received) | - |
| | **Net cash generated from operating activities** | (65,841) |
| B | **Investing activities** | |
| | Sale of property, plant and equipment | - |
| | **Net cash flow from / (used in) investing activities** | - |
| C | **Financing activities** | |
| | Proceeds from issue of equity shares | 1,00,000 |
| | **Net cash flow from / (used in) financing activities** | 1,00,000 |
| | **Net increase in cash and cash equivalents (A+B+C)** | 34,159 |
| | **Opening cash & cash equivalents** | - |
| | **Closing cash and cash equivalents** | 34,159 |

**Notes:**

1 The above cash flow statement has been prepared under the indirect method setout in Indian Accounting Standard (Ind AS) 7

2 Figures in brackets indicate cash outflow from respective activities.

3 Cash and cash equivalents as at the Balance Sheet date consists of :

| Particulars | Period ended March 31, 2021 |
|---|---|
| **Balances with banks :** | |
| -On current account | - |
| Cash on hand | 34,159 |
| **Total** | 34,159 |

4 Disclosure requirement as per Ind AS 7 (Amended) Statement Of Cash Flow related to changes in Liabilities arising from Financing Activities is not applicable to the Company

**The accompanying notes form an integral part of the financial statements**

**This is the Statement of Cash Flow referred to in our report of even date**

**For Mittal Gupta & Co.**
Chartered Accountants
Firm Registration No: 01874C

(Akshay Kumar Gupta)
Partner
M.No.-070744

Place : Kanpur
Date : April 24, 2021

**For and on behalf of the Board of Directors**

(Mukul Sharma)
Director
DIN-00078995

(Nalin Kumar gupta)
Director
DIN-01670036

Place : New Delhi
Date : April 24, 2021

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

## 1. Background

Dhampur Bio Organics Limited ("the Company") is a unlisted public company (formerly known as RMSD Enterprises Private Limited ) domiciled in India and incorporated under the provisions of the Companies Act, 2013. Its shares are unlisted. The CIN No. of the company is U15100UP2020PLC136939. These financial statements of the Company for the period ended March 31, 2021 are approved and authorized for issue by the Company's Board of Directors on 24.04.2021.

## 2.1 Basis of preparation and presentation

### i) Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and relevant amendment rules thereafter and accounting principles generally accepted in India.

These financial statements have been prepared and presented in accordance with Ind AS 105 as applicable for discontinuing operations using the significant accounting policies and measurement basis summarized below. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use. In those cases the new accounting policy is adopted in accordance with the transitional provisions stipulated in that Ind AS and in absence of such specific transitional provision, the same is adopted retrospectively for all the periods presented in these financial statements.

### ii) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

### iii) Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) that are measured at fair value and less cost of sale wherever require. The methods used to measure fair values are discussed further in notes to financial statements.

### iv) Functional and presentation currency

These financial statements are presented in Indian rupees (INR), which is company functional currency.

**v) Operating Cycle**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 based on the nature of services

rendered and time between the acquisition of asset for providing services and their realization in cash and cash equivalents.

**2.2 Current versus non-current classification**

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

An asset is treated as current when it satisfies any of the following criteria:

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

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is treated as current when it satisfies any of the following criteria:

- Expected to be settled in the company's normal operating cycle;
- Held primarily for the purpose of trading;
- 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.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

**2.3 Use of Estimates and management judgements**

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management of the company to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets, liabilities and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date.

The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving critical judgment are as follows:

**i) Provision and contingencies:**
The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change.

**ii) Estimation of current tax and deferred tax**
The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions

Deferred tax assets are recognised for unused tax losses and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies

## 2.4 Significant Accounting Policies

### A. Financial Instruments

**a) Financial Asset**
**i) Classification**
The company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and contractual cash flow characteristics of the financial asset.

**ii) Initial Recognition and Measurement**
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.
The financial assets include trade and other receivables, loans and advances, cash and bank balances.

**iii) Subsequent Measurement**
For the purpose of subsequent measurement, financial assets are classified in the following categories:
- At amortized cost,

- At fair value through other comprehensive income (FVTOCI), and
- At fair value through profit or loss (FVTPL).

**iv) De-recognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized when:

- The right to receive cash flows from the assets have expired or
- The company has transferred substantially all the risks and rewards of the assets, or
- The company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets

**b) Financial liabilities**

**i) Classification**

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreements and the definitions of a financial liability and equity instrument.

**ii) Initial recognition and measurement**

The company recognizes financial liability when it becomes a party to the contractual provision of the instrument. .All financial liabilities are recognized initially at fair value minus, for financial liability not subsequently measured at FVTPL, transaction coststhat are directly attributable to the issue of financial liability.

**iii) Subsequent Measurement**

All financial liabilities are subsequently measured at amortised cost using the effective interestmethod or at FVTPL.

**iv) Financial liability at amortized cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gain and losses are recognized in statement of profit and loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and transaction cost. Their amortization is included as finance cost in the statement of profit and loss.
This category generally applies to loans & borrowings.

**v) Financial liability at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designed as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gain or loss arises on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

**c) Equity Instrument**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognized at the proceeds received, net of direct issue cost.

Repurchase of the company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase,sale,issue, or cancellation of the company's own equity instruments.

## i) De-recognition

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

## ii) Offsetting of financial instrument

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

**2.5Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cheques on hand, deposits held at call with banks, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flow, cash and cash equivalents consist of cash and short term deposits, net of outstanding bank overdraft as they being considered as integral part of the company's cash management.

**B. Revenue recognition**

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

**Sale of Goods**

Revenue from sale of goods is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration, the company expect to receive in exchange of those products or services. Revenue is excluding estimated discount and pricing incentives, rebates, other similar allowances to the customers and also excluding value added taxes, goods and other taxes and amounts collected on behalf of third parties or government, if any.

**Interest Income**

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**C. Expenses**

All expenses are accounted for on accrual basis.

**D. Taxes**

**a) Income tax**

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

**b) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

**c) Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. In case of a history of continuous losses, the company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/

reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Minimum Alternate Tax (MAT) credits is recognized as deferred tax assets in the Balance Sheet only when the asset can be measured reliably and to the extent there is convincing evidence that sufficient taxable profit will be available against which the MAT credits can be utilized by the company in future.

**E. Earnings per share**

Basic earnings per share are calculated by dividing the profit/loss for the year (before other comprehensive income), attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit/(loss) for the year (before other comprehensive income), adjusting the after tax effect of interest and other financing costs associated with dilutive potential equity shares, attributable to the equity shareholders, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

**F. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognized for future operating losses

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.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

A contingent asset is not recognized but disclosed, when possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

**G. Cash Flow Statement**

Cash flows are stated using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of incomes and expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**DHAMPUR BIO ORGANICS LIMITED**
**(Formerly known as RMSD Enterprises Private Limited)**
**Notes forming part of the Standalone Financial Statements**

**Note 3: Cash and cash equivalents**

*(Amount in INR)*

| Particulars | As at March 31, 2021 |
|---|---|
| Balances with banks : | |
| -In Current Account | - |
| Cash in Hand | 34,159 |
| **Total** | **34,159** |

**Note 4: Share capital**

| Particulars | As at March 31, 2021 | |
|---|---|---|
| | No. of Shares | (Amount in INR) |
| **Equity shares** | | |
| **Authorised Share Capital** | | |
| Equity shares of ₹ 10/- each fully paid-up | 1,00,000 | 10,00,000 |
| **Issued , subscribed and paid-up** | | |
| Equity shares of ₹ 10/- each fully paid-up | 10,000 | 1,00,000 |
| **TOTAL** | | **1,00,000** |

**4.1.The reconciliation of the number of shares outstanding is set out below.**

| Particulars | As at March 31, 2021 | |
|---|---|---|
| | No. of Shares | (Amount in INR) |
| **Authorised Equity shares** | | |
| Shares outstanding at the beginning of the year | - | - |
| Add : Addition during the year | 1,00,000 | 10,00,000 |
| Shares outstanding at the end of the year | 1,00,000 | 10,00,000 |

| Particulars | As at March 31, 2021 | |
|---|---|---|
| | No. of Shares | (Amount in INR) |
| **Issued , subscribed and paid-up shares equity shares** | | |
| At the beginning of the year | - | - |
| Add : Addition during the year | 10,000 | 1,00,000 |
| Outstanding at the end of the year | 10,000 | 1,00,000 |

**4.2. The details of shareholders holding more than 5% shares is set out below:**

| Name of shareholders | As at March 31, 2021 | |
|---|---|---|
| | No. of Shares | (Amount in INR) |
| Dhampur Sugar Mills Limited (Holding Company) | 10,000 | 100.00% |

**4.3. - Terms/right attached to equity shares**

(i) The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the nubmer of equity shares held by the shareholders.

**Note 5 - Other Equity**

| Particulars | As at March 31, 2021 |
|---|---|
| **Retained Earnings** | |
| Opening Balance | - |
| Add: Profit /(Loss) for the year | (77,641) |
| | **(77,641)** |
| **Other Comprehensive Income** | |
| Opening balance | - |
| Add: Other Comprehensive Income /(loss) for the Year | - |
| **Closing balance** | **-** |
| **TOTAL** | **(77,641)** |

i) Retained earnings represents the undistributed loss/ amount of accumulated loss of the Company.

**DHAMPUR BIO ORGANICS LIMITED**
**(Formerly known as RMSD Enterprises Private Limited)**
**Notes forming part of the Standalone Financial Statements**

**Note 6 - Trade Payables**

*(Amount in INR)*

| Particulars | As at March 31, 2021 |
|---|---|
| Total outstanding dues of micro enterprises and small enterprises | - |
| Total outstanding dues of Creditors other than MSME | 11,800 |
| **Total** | **11,800** |

Following are the relevant disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006:

| Particulars | As at March 31, 2021 |
|---|---|
| a) The principal amount remaining unpaid to suppliers as at the end of period | Nil |
| b) The interest due thereon remaining unpaid to suppliers as at the end of period | Nil |
| c) The amount of interest paid by the Company in terms of Section 16, along with the amount of payments made to the micro and small enterprise beyond the appointed date during the period | Nil |
| d) The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the period but without adding the interest specified under this Act. | Nil |
| e) The amount of interest accrued during the year and remaining unpaid at the end of the period | Nil |
| f ) The amount of further interest remaining due and payable even in succeeding years | Nil |

The above mentioned outstanding's are in normal course of business and the information regarding micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

**Note 7 - Other expense**

| Particulars | For the Period ended March 31 ,2021 |
|---|---|
| Audit Fees | 11,800 |
| Preliminary Expenses | 65,841 |
| **Total** | **77,641** |

**DHAMPUR BIO ORGANICS LIMITED**
**(Formerly known as RMSD Enterprises Private Limited)**
**Notes forming part of the Standalone Financial Statements**

**Note 8 - Earnings per Share (EPS) :**

*(Amount in INR)*

| Particulars | For the Period Ended March 2021 |
|---|---|
| i) Net Profit/ Loss(-) available to Equity Shareholders | (77,641) |
| (Used as numerator for calculating EPS) | |
| ii) Weighted average No.of Equity Shares outstanding during the period: | |
| (Used as denominator for calculating EPS) | |
| - for Basic & Diluted EPS | 4,301 |
| iii) Earning per Share | |
| - Basic & Diluted | (18.05) |
| (Equity Share of Face value of ₹ 10 each) | |

**Note 9 - Payment to auditor**

*(Amount in INR)*

| Particulars | For the Period Ended March 2021 |
|---|---|
| Statutory Audit Fees | 10,000 |
| Reimbursement Exps. Including GST | 1,800 |
| **Total** | **11,800** |

**Note 10 - Contingent Liabilities**

*(Amount in INR)*

| Particulars | As at March 31, 2021 |
|---|---|
| **Contingent Liabilities :** | |
| Claims against the Company not acknowledged as debts | Nil |
| Guarantees | Nil |
| Other Contingent Liabilities | Nil |
| **Commitments :** | |
| Estimated amount of contracts remaining to be executed on Capital Account not provided for | Nil |
| Uncalled liabilities on shares and other investments partly paid | Nil |
| Other Commitments | Nil |

**DHAMPUR BIO ORGANICS LIMITED**
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**Notes forming part of the Standalone Financial Statements**

**“11” Related Party Disclosures as required under Ind AS 24:-**

| **A.** | **Related Parties** | **Name of Party** |
|---|---|---|
| **i.** | Holding Company | a) Dhampur Sugar Mills Limited |
| **ii.** | Subsidiary Company | NIL |
| **iii.** | Associate Company | NIL |
| **iv.** | Key Management Personnel (KMP) | a) Mr. Mukul Sharma (Director) |
| | | b) Mr. Nalin Kumar Gupta (Director) |
| | | c) Mr. Sumit Gupta |
| | | d) Mrs. Rekha Gupta |

**B.** Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on March 31, 2021 - Nil

## 12 Financial Instruments - Accounting, classification and Fair Value Measurements

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(l) to the financial statements.

### A. Financial instruments by category- Assets and Liabilities

The criteria for recognition of financial instruments is explained in accounting policies fo the Company.

**As at March 31, 2021** (Amount in Rs)

| Particulars | Refer Note No. | Carrying Value | | | Total |
|---|---|---|---|---|---|
| | | Amortised Cost | FVTPL | FVTOCI | |
| **Financial Asset** | | | | | |
| Cash and cash equivalent | 3 | 34,159 | - | - | 34,159 |
| **Total Financial Assets** | | **34,159** | **-** | **-** | **34,159** |
| **Financial Liabilities** | | | | | |
| Trade payables | 6 | 11,800 | - | - | 11,800 |
| **Total Financial Liabilities** | | **11,800** | **-** | **-** | **11,800** |

### B. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Method and assumptions used to estimate fair values:**

Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, loans and other current financial assets, trade and other payables and other current financial liabilities carried at amortized cost is not materially different from its carrying cost, largely due to the short-term maturities of these instruments.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**Note 13 : FINANCIAL RISK MANAGEMENT**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is governed by Financial Guidelines which are approved by the Board of Directors.The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the company.

The Company’s principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company’s operations. The Company's principal financial asset includes trade and other receivables, and cash and others financial assets that arise directly from its operations.

The Company's activities are exposed to market risk, credit risk and liquidity risk.

**I. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s borrowings obligations with floating interest rates.

**(b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has no foreign transactions and hence no foreign currency risk is involve in it.

**(c) Regulatory risk**

The Company is a trading company and do not involve any specific regulatory risk.

**(d) Commodity price risk**

Commodity price risk is the price uncertainty that adversely impacts the financial results of those who both use and produce commodities.The Company is a trading company and do not involve any specific Commodity price risk.

**II. Credit risk**

Credit risk arises from the loss that counter party fails to repay debt according to the contractual terms or obligations. Company is exposed to credit risk from trade receivables and deposits with banks. To manage this, Company periodically assesses the financial reliability of customers,taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit tocustomer. Outstanding customer receivables are regularly monitored. Concentrations of credit risk are limited as a result of the Company’s large and diverse customer base. The ageing of the trade receivables is given below:
The Company major exposure of credit risk is from trade receivables, which are unsecured and derived from external customers.

**Expected credit loss for trade receivable on simplified approach :**

The ageing analysis of the trade receivables (gross of provision) has been considered from the date the invoice falls due:

(Amount in Rs)

| Particulars | As at March 31, 2021 |
|---|---|
| Upto 6 months | - |
| More than 6 months | - |
| **TOTAL** | **-** |

**III.** The Company’s objective is to maintain a balance between continuity of funding and flexibility through the use of loans taken from Related Parties and other financial institutions.

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Since, theCompany is making continuous losses, presently it monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

| As at March 31, 2021 | Carrying Amount | Less than 1 Year | 1 to 5 Years | More 5 Years | Total |
|---|---|---|---|---|---|
| Trade and other payables | 11,800 | 11,800 | - | - | 11,800 |
| **Total** | **11,800** | **11,800** | **-** | **-** | **11,800** |

**Note 14 : Capital Management**

**(a) Risk Management**
For the purpose of the Company’s capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The Company’s objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

In order to achieve this overall objective, the Company’s capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021.

**DHAMPUR BIO ORGANICS LIMITED**
**(Formerly known as RMSD Enterprises Private Limited)**
**Notes forming part of the Standalone Financial Statements**

**Note 15-** In the opinion of the Board, current assets and loans and advances have realisable value in the ordinary course of business at least equal to the value at which they are stated in the balance sheet.

**Note 16-**Details of loan and advances given and investment made as required to be disclosed as per provisions of Section 186 (4) of the Companies Act, 2013 have been disclosed under the respective head. The company has not given any guarantee in respect of loan taken by others.

**Note 17-**The company is yet to start its business activity as on 31.03.2021 hence there is no reportable business segment as per Indian Accounting Standard – IndAS 108 " Segment Reporting".

**Note 18**- This is the first accounting year of the company hence Previous year's figures have not been given.

**The accompanying notes from 1 to 18 form an integral part of the financial statements**

**This is the Balance Sheet referred to in our report of even date**
**For Mittal Gupta & Co.**
Chartered Accountants
Firm Registration No: 01874C

(Akshay Kumar Gupta)
Partner
M.No.-070744

Place : Kanpur
Date : April 24, 2021

**For and on behalf of the Board of Directors**

(Mukul Sharma)
Director
DIN-00078995

(Nalin Kumar gupta)
Director
DIN-01670036

Place : New Delhi
Date : April 24, 2021