

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF CHEMO PHARMA LABORATORIES LTD.****Report on the Financial Statements**

We have audited the accompanying Financial Statements of **Chemo Pharma Laboratories Ltd.** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Companies (Auditors Report) order 2015 issued by Central Government of India in terms of sub section 11 of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of The Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of The Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. 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.

**FOR BATLIBOI & PUROHIT**  
**Chartered Accountants**  
**ICAI Firm Regn. No. - 101048W**

**Sd/-**  
**Paresh Chokshi**  
**Partner**  
**Membership No. - 33597**

**Place: Mumbai**

**Date: 28<sup>th</sup> May, 2015**

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### **Annexure to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on other legal and Regulatory requirements' section of our report of even date)

- (i) The Company does not have any fixed assets accordingly the provisions of this clause are not applicable to the Company.
- (ii) The Company does not have any inventories accordingly, the provisions of this clause are not applicable to the Company
- (iii) (a) The company has granted interest free loan to one party covered in the register maintained under Section 189 of the Companies Act. The yearend balance of loans granted was Rs nil and the maximum amount involved during the year was Rs. 10,00,000/-.
- (b) The loan granted is repayable on demand. As informed, the Company has not demanded repayment of any such loan during the year, thus there has been no default on the part of the party to whom money has been lent.
- (iv) As the Company has discontinued its operations so clause in respect of internal control system for the purchase of Inventory, Fixed Assets and for the sale of goods and services is not applicable.

- (v) The Company has not accepted any deposits during the year with in the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) To the best of our knowledge and as explained central Government has not prescribed maintenance of cost records under sub-Section (1) of Section 148 of the Companies Act;
- (vii) a. The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned 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 dues outstanding of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess that have not been deposited on account of any dispute.
- c. According to the information & explanations given to us, the dues in respect of sales tax, income tax, custom duties, wealth tax, excise duty, and cess that have been deposited with the appropriate authorities except in cases where there is a dipute. The details of dispute and the forum where such disputes are pending is given below:

Name of the statute	Nature of the dues	Amount (Rs.)	Forum where dispute is pending
Central Sales Tax Maharashtra Sales Tax	Central sales tax	18,05,093	Appeal before sales tax authority
Income Tax Act	Penalty Tax	60,47,659	Appeal before ITAT
Income Tax Act	Income Tax	31,77,291	Appeal before ITAT
Central Sales Tax Act	Central Sales Tax	1,99,542	Company is in process of filing an appeal against the order in High Court
Maharashtra Sales Tax Act	Sales Tax	9,57,787	Company is in process of filing an appeal against the order in High Court

- (viii) The accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current financial year and in the immediately preceding financial year;
- (ix) The Company has not taken any loans from financial institution or bank or debenture holders.
- (x) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company has not taken any Term Loans.
- (xii) Based on the audit procedures performed and as per the information and explanation given by the management we report that no fraud on or by the company has been noticed or reported during the year.

**FOR BATLIBOI & PUROHIT**  
**Chartered Accountants**  
**ICAI Firm Regn. No. - 101048W**

**Sd/-**  
**Paresh Chokshi**  
**Partner**  
**Membership No. - 33597**

**Place: Mumbai**  
**Date: 28<sup>th</sup> May, 2015**