

INDEPENDENT AUDITORS' REPORT

To
The Members of CHEMO PHARMA LABORATORIES LTD.

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **CHEMO PHARMA LABORATORIES LIMITED** ("the company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013, ('the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2017, as amended, ('Ind AS') and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, and total comprehensive income and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibility of Management for the Standalone Financial Statements

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

In preparing the financial statements, management and Board of Directors are 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.

Board of Directors are also 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls 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 internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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:
 - 1) The company has disclosed the impact of pending litigation on its Ind AS financial position in its financial statement. Refer Note 13 & 14 to the Ind AS financial statements.
 - 2) The company did not have any long term contract including derivative contract as at March 31, 2020 for which there were any material foreseeable losses.
 - 3) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by Company for the year ending on March 31, 2020.

FOR VMD & CO.
Chartered Accountants
(FRN: 125002W)

Sd/-
CA Amit Ganpule
Partner
MRN: 114222

UDIN : 20114222AAAACM3184

Place: Mumbai
Date : 26th June, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of section 143(11) of the Companies Act, 2013

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets were physically verified by the Management during the current year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its Fixed Assets.
- (c) The company does not have immovable property, Hence the paragraph 3(i)(c) of the order is not applicable.
- (ii) The company does not have any inventory; accordingly, paragraph 3(ii) of the order is not applicable.

- (iii) (a) The company has given loan to one party covered in the register maintained under section 189 of the Companies Act, 2013. According to the information and explanation provided to us the terms and conditions of the loan was not prejudicial to the interest of the company.
- (b) In the case of the loans granted to the company in the register maintained under section 189 of the Act, the terms of arrangements did not stipulate any repayment schedule and the amount was repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the amount.
- (c) There are no overdue amounts in respect of the loans granted to the companies listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and 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 to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, no fixed deposits were accepted from the public.
- (vi) In our opinion, clause 3(vi) of the order for maintenance of the cost records under section 148(1) of the Companies Act 2013 is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Income Tax and other material Statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Goods and Service Tax, Value added Tax, Service Tax, Cess and other material Statutory dues were in arrears as at 31st March, 2020 for a period of more than six months from the date they become payable.

- (b) According to the information and 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 dispute. 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 Act	Central Sales Tax FY 1989-90	1,67,560	Company has filed an appeal against order in High Court
Maharashtra Sales Tax Act	Sales Tax FY 1989-90	9,50,255	Company has filed an appeal against order in High Court

- (viii) The company does not have any loans or borrowings from any Financial Institution, Banks, Government or Debenture Holders during the year. Accordingly, paragraph 3(vii) of the order is not applicable.
- (ix) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the order is not applicable.
- (x) Based on the audit procedures performed and information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanation provided to us, the company has paid / provided managerial remuneration in accordance with the requisite provisions of section 197 read with Schedule V of the act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

FOR VMD & CO.
Chartered Accountants
(FRN: 125002W)

Sd/-
CA Amit Ganpule
Partner

MRN: 114222
UDIN : 20114222AAAACM3184

Place: Mumbai
Date : 26th June, 2020

Annexure B

To The Independent Auditor's Report of even date on the Ind AS financial statements of Chemo Pharma Laboratories Limited

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

To

The Members of Chemo Pharma Laboratories Limited,

We have audited the internal financial controls over financial reporting of Chemo Pharma Laboratories Limited ("the Company") as of 31 March 2020 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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance

Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai
Date : 26^h June, 2020

FOR VMD & CO.
Chartered Accountants
(FRN: 125002W)

Sd/-
CA Amit Ganpule
Partner
MRN: 114222
UDIN : 20114222AAAACM3184

BALANCE SHEET AS AT 31ST MARCH, 2020

	NOTES	31 st March, 2020 (in Rupees)	31 st March, 2019 (in Rupees)
1 ASSETS			
1 Non-Current Assets			
(A) Property, Plant and Equipment	2	747,534	30,243
(B) Financial Assets			
(i) Investment	3	237,031	368,947
(ii) Loans	4	19,567,600	18,417,400
Total Non-Current Assets		20,552,165	18,816,590
2 Current Assets	5		
(i) Cash & Cash Equivalents	5(i)	88,084,088	29,661,539
(ii) Current Loans	5(ii)	-	55,000,000
(iii) Other Current Assets	5(iii)	1,020,635	731,800
Total Current Assets		89,104,723	85,393,339
TOTAL ASSETS		109,656,889	104,209,929
2 EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	6	15,000,000	15,000,000
(b) Other Equity	7	92,447,085	88,295,537
Total Equity		107,447,085	103,295,537
Liabilities			
1 Non-Current Liabilities	-	-	
2 Current Liabilities	8		
(A) Financial Liabilities			
(i) Other Current Liabilities	8(i)	1,449,803	1,258,670
(ii) Provisions	8(ii)	760,000	(344,278)
Total Current Liabilities		2,209,803	914,392
TOTAL EQUITY AND LIABILITIES		109,656,889	104,209,929
The accompanying notes are integral part of financial statement.			
Summary of significant accounting policies	1		

As per our Report Annexed

For VMD & Co.
Chartered Accountants
Firm Reg. No. 125002W

Sd/-
CA Amit Ganpule
Partner (Membership No. 114222)
UDIN : 20114222AAAACM3184

Place : Mumbai
Date : 26th June, 2020

On behalf of Board of Directors

Sd/-
S. B. SOMANI
DIRECTOR & CEO
DIN NO.: 00077939

Sd/-
NEHA VORA
COMPANY SECRETARY AND
COMPLIANCE OFFICER

Sd/-
ASHOK SOMANI
DIRECTOR & CFO
DIN NO.: 03063364

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	NOTES	31 st March, 2020 (in Rupees)	31 st March, 2019 (in Rupees)
I. INCOME			
Other Income	9	9,967,591	8,225,416
Total Income		9,967,591	8,225,416
II. EXPENSES			
1 Employee Benefit Expenses	10	1,812,554	2,218,439
2 Depreciation and amortisation Expenses		231,274	47,001
3 Other Expenses	11	2,982,427	3,413,889
Total Expenses		5,026,255	5,679,329
Gross Profit / (Loss) for the Year		4,941,336	2,546,087
III. Profit /(Loss) Before Taxation (I) - (II)		4,941,336	2,546,087
IV. Less: Tax Expenses			
(i) Provision for Current Tax		760,000	460,000
(ii) Tax adjustment for previous year		29,788	23,183
V. Profit / Loss of the Year (III) - (IV)(i) - (IV)(ii)		4,151,548	2,062,904
VI. Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to Profit or Loss:		-	-
(ii) Unrealised gain in Fair Market Value of Investment		-	-
(iii) Income Tax relating to items that will not be reclassified to Profit and Loss		-	-
Other Comprehensive Income for the year, net of Tax		-	-
Total Other Comprehensive Income for the year (V-VI)		4,151,548	2,062,904
Earnings per Equity Share (Nominal Value of Share Rs.10/-) (31st March, 2020 : Rs.10/-)			
Basic and Dilluted		2.77	1.38
The accompanying notes are intergal part of financial statement.			
Summary of significant accounting policies		1	

As per our Report Annexed

For VMD & Co.
Chartered Accountants
Firm Reg. No. 125002W

Sd/-
CA Amit Ganpule
Partner (Membership No. 114222)
UDIN : 20114222AAAACM3184

Place : Mumbai
Date : 26th June, 2020

On behalf of Board of Directors

Sd/-
S. B. SOMANI
DIRECTOR & CEO
DIN NO.: 00077939

Sd/-
NEHA VORA
COMPANY SECRETARY AND
COMPLIANCE OFFICER

Sd/-
ASHOK SOMANI
DIRECTOR & CFO
DIN NO.: 03063364

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

PARTICULARS	31 st March, 2020 (in Rupees)	31 st March, 2019 (in Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	4,941,336	2,546,087
Adjustment for		
Depreciation	231,274	47,001
Dividend received	(5,658)	(1,326)
Interest received	(9,961,933)	(8,042,768)
Operating profit before working capital changes	(4,794,981)	(5,451,005)
Adjustment for		
Increase (Decrease) in other Current Liabilities	1,295,411	(417,311)
Decrease (increase) in Current Assets	54,711,165	(46,896,637)
Increase in loans given	(1,150,200)	(1,533,600)
Increase in Fixed Assets	(948,565)	(56,522)
Cash Generated From Operation	53,907,811	(48,904,070)
Taxes Paid	(789,788)	(483,183)
A. Cash Flow From Operating Activities	48,323,042	(54,838,258)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	5,658	1,326
Interest received	9,961,933	8,042,768
Decrease in Investment	131,916	(181,322)
Cash Flow From Investing Activities	10,099,507	7,862,772
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	-	-
Cash Flow From Financing Activities	-	-
Net increase/(decrease) in cash and cash Equivalents	58,422,549	(46,975,486)
Opening balance of Cash and Cash Equivalents	29,661,539	76,637,027
Closing Balance Of Cash and Cash Equivalents	88,084,088	29,661,539

Note :

- The above Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS-7 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Previous Year's figures have been re-arranged/re-grouped wherever necessary.

This Cash Flow Statement referred in our report of even date.

As per our Report Annexed

For VMD & Co.
Chartered Accountants
Firm Reg. No. 125002W

Sd/-
CA Amit Ganpule
Partner (Membership No. 114222)
UDIN : 20114222AAAACM3184

Place : Mumbai
Date : 26th June, 2020

Sd/-
NEHA VORA
COMPANY SECRETARY AND
COMPLIANCE OFFICER

On behalf of Board of Directors

Sd/-
S. B. SOMANI
DIRECTOR & CEO
DIN NO.: 00077939

Sd/-
ASHOK SOMANI
DIRECTOR & CFO
DIN NO.: 03063364

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**1) Company Overview :****A) Corporate Information :**

The Company is a public company domiciled in India and it is incorporated on 17th August, 1942 under provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange (BSE) of India. The registered office of the Company is located at Kumud CHS Ltd., Karnik Road, Chikan Ghar, Kalyan, Dist. Thane- 421 301.

The Company had discontinued its manufacturing operations few years back.

B) Basis of preparation of Financial Statements :

The Financial Statement have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

All Assets and Liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Schedule III to the Companies Act 2013

2) Significant Accounting policies :**A) Revenue Recognition :**

Revenue / income and cost / expenditure are generally accounted on accrual as they are earned or incurred. Other Income is Comprised primarily of interest income, dividend income and gain/loss on investments. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

B) Employees Benefits :

- 1) Company's Contribution to Provident Fund are charged to Profit & Loss Account.
- 2) Gratuity payable to Employees is calculated as per provisions of the Gratuity Act. The Company provides for Gratuity Liability in the account as and when paid.
- 3) Leave encashment benefit at the time of retirement is considered on cash basis as and when paid.

C) Classification of Current / Non-Current Assets and Liabilities

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and IndAS 1 "Presentation of financial statements".

Assets :

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

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within twelve months after the reporting date; or
- d) 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.

Liabilities :

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

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) 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.

All other assets / liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its normal operating cycle as twelve months for the purpose of Current / Non-current classification of assets and liabilities.

D) Property, Plant and Equipment :

Property, Plant and Equipment are valued at cost of acquisition less depreciation.

Property, plant and equipment are recorded at cost of acquisition / construction less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price net of creditable cenvate, Service Tax, Value Added Tax and Goods and Service Tax, if any, and any attributable cost of bringing the assets to its working condition for its intended use.

The Cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement or impairment of the asset and resultant gains or losses are recognised in the Statement of Profit and Loss.

E) Depreciation and amortisation on Property, Plant and Equipment :

Depreciation / amortisation on Property, plant and equipment is charged on WDV basis so as to write off original cost of the assets over the useful lives. The useful life of the fixed assets as prescribed under the Companies Act, 2013 are as under:

Type of Assets	Useful life (in Years)
Computer	3
Motor Car	8
Air Conditioner	10

F) Cash & Cash equivalents :

Cash and cash equivalents, in balance sheet and in cash flow statement, includes cash in hand, term deposit with Bank and other short term highly liquid investments with original maturities of three months or less.

G) Investment :

Long Term Investments are stated at cost less provision for diminution in value other than temporary if any.

H) Taxes on Income :

i. Current tax :

Provision for current income tax is made on the taxable income using the applicable tax rates and tax laws. Advance income tax and provision for current tax is disclosed in the Balance Sheet at net as these are settled on net basis.

ii. Deferred tax :

Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent period is recognised using the tax rate tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is virtual certainty with respect to the reversal of the same in future years

I) Financial Instruments :

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the financial instrument.

i) Financial Assets :

a) 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. 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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement :

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

i) Financial Assets at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, debt instrument, debt instrument are subsequently measured at amortised cost using the effective interest rates method, less method, less impairment, if any.

ii) Financial Assets at fair value through other comprehensive income :

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity/ debt instruments to present the subsequent changes in fair value in other comprehensive income base on its business model.

iii) Financial assets at fair value through profit or loss :

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

i) Financial Liabilities:**a) Initial recognition and measurement :**

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities are classified, at initial recognition, as at fair value through profit and loss or as those measured at amortised cost.

b) Subsequent measurement :

For purpose of subsequent measurement financial liabilities depends on their classification as follows:

i) Financial liabilities at fair value through profit or loss:

A financial liabilities at fair value through profit and loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial recognition at fair value through profit and loss.

ii) Financial liabilities measured at amortised cost:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method except for those designated in an effective hedging relationship.

J) Earning per share :

The earnings consider in ascertaining the Company's earning per share (EPS) comprise of the net profit after tax after reducing dividend on cumulative preference shares for the period (irrespective of whether declared, paid or not), as per Accounting Standard 20 on "Earning per share"

k) Provisions and contingent liability :

Provisions are recognised when the Company has a present obligation as a result of past events, it is more likely than not that and outflow resources will be required to settle the obligation, and the amount has been reliably estimated. A contingent liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not require an outflow resource.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**2. Property, Plant and Equipment :**

Particulars	AT COST				Depreciation (On Written Down Value Basis)					Net Block	
	As On 31.03.2019 (Rs.)	Additions During the Year (Rs.)	Deductions During the Year (Rs.)	Total As On 31.03.2020 (Rs.)	Upto 31.03.2019 (Rs.)	For the Year (Rs.)	Transition Adjustment to Schedule II	On Disposals & Adjustment (Rs.)	Total As On 31.03.2020 (Rs.)	As On 31.3.2020 (Rs.)	As On 31.3.2019 (Rs.)
(A) TANGIBLE ASSETS:											
Computer	106,522	-	-	106,522	77,163	19,188	-	-	96,351	10,171	29,359
Computer Printer	5,500	-	-	5,500	4,617	558	-	-	5,175	326	884
Air Conditioner	-	24,700	-	24,700	-	1,261	-	-	1,261	23,439	-
Motor Car	-	923,865	-	923,865	-	210,266	-	-	210,266	713,599	-
Total (A)	112,022	948,565	-	1,060,587	81,780	231,274	-	-	313,054	747,534	30,243
Previous Year	55,500	56,522	-	112,022	34,779	47,001	-	-	81,780	30,243	20,722

	31 st March, 2020 (in Rupees)	31 st March, 2019 (in Rupees)
3 Non- Current Investments :		
a. In Government Security (Unquoted) :		
12 Years National Defence Certificates	500	500
7 Years National Defence Certificates	5,000	5,000
	5,500	5,500
b. Shares in Joint Stock Companies- Quoted Non-Trade:		
Equity Shares of -		
	No. of Shares	
Emami Limited of Rs.1/- each fully paid (Market Value Rs. 170.00)	336	57,120
Emami Realty Limited of Rs.2/- each fully paid (Market Value Rs. 28.00)	28	784
Reliance Chemotex Inds. Ltd of Rs.10/- fully paid (Market value Rs. 43.55)	1900	82,745
Reliance Power Limited Ltd of Rs.10/- fully paid (Market value Rs. 1.22)	88	107
(Aggregate Market Value of Quoted Investments)		140,756
c. Shares in Joint Stock Companies- Trade :		
Equity Shares of Citric India Ltd. of Rs.10/- each	27000	60,750
		60,750
d. Unquoted Equity Shares of: Non- Trade		
Shamrao Vithal Co.Op Bank Ltd of Rs 25 fully paid	1	25
Capexil (Agencies) Ltd of Rs 1000 each fully paid	5	5,000
City Co.Op. Bank Ltd. Of Rs. 10 each fully paid	1000	25,000
		30,025
TOTAL		237,031
4 Non- Current Loans :		
Intercompany Deposits- Unsecured		19,567,600
		18,417,400
TOTAL		19,567,600
		18,417,400

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	31 st March, 2020 (in Rupees)	31 st March, 2019 (in Rupees)
5 Current Assets :		
i. Cash & Cash Equivalent :		
Cash in Hand	178,131	409,529
Balances with Banks	7,905,958	4,252,011
Fixed Deposit with HDFC	80,000,000	25,000,000
TOTAL	88,084,088	29,661,539
ii. Current Loans :		
Inter Corporate Loan Given -others unsecured	-	55,000,000
TOTAL	-	55,000,000
iii. Other Current Assets :		
Advance to Staff	38,000	411,750
TDS deducted on Interest Received (A.Y.2020-21)	982,635	-
Advance Tax paid (A. Y. 2003-2004)	-	320,050
	1,020,635	731,800
6 Equity Share Capital :		
Authorised shares:		
97,50,000 Equity Shares of Rs. 10/- each	97,500,000	97,500,000
25,000 Preference Shares of Rs. 100/- each	2,500,000	2,500,000
TOTAL	100,000,000	100,000,000
Issued ,Subscribed and fully paid-up Shares		
15,000,00 Equity Shares of Rs. 10/- each	15,000,000	15,000,000
Nil Preference Shares of Rs. 100/- each	Nil	Nil
TOTAL	15,000,000	15,000,000
A) Reconciliation of the Shares outstanding at the beginning and at the end of reporting period		
Equity Shares	Nos.	Nos.
At the beginning of the period	1,500,000	15,00,000
Issued during the period (Bonus Issue)	-	Nil
Issued during the period	-	Nil
Outstanding at the end of the period	1,500,000	15,00,000
Preference Shares	Nos.	Nos.
At the beginning of the period	Nil	Nil
Issued during the period	Nil	Nil
Outstanding at the end of the period	Nil	Nil
B) Terms/Rights attached to Equity Shares		
The Company has only one class of Equity Shares having a par value Rs. 10/- per Share. Each Holder of Equity Shares is entitled to one vote per Share. The Company declares and pays dividends 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.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

During the year ended 31st March, 2020, the amount of per Share Dividend recognized as distribution to Equity Shareholders was Rs. Nil (31 March 2019 : Rs. Nil)

C) List of Shareholding 5% & Above

Sr. No.	Name of the Shareholders	31.03.2020		31.03.2019	
		No. of Shares Held	Percentage of Holding	No. of Shares Held	Percentage of Holding
1.	M/s Citric India Limited	369,500	24.63	369,500	24.63

		31 st March, 2020 (in Rupees)	31 st March, 2019 (in Rupees)
7 Other Equity :			
- Capital Reserve		48,446,784	48,446,784
- Investment Allowance Reserve		2,967,954	2,967,954
- Retained Earnings :			
Balance As Per Last Balance Sheet	36,880,799		
Add/(Less): Profit / (Loss) During the Year	4,151,548	41,032,347	36,880,799
	TOTAL	92,447,085	88,295,537
8 Current Liabilities :			
i) Other Current Liabilities :			
SICOM - Defferred Sales Tax		1,196,976	1,196,976
Others Payables		252,827	61,694
		1,449,803	1,258,670
ii) Current Provisions :			
Provision for Income Tax		760,000	(344,278)
	TOTAL	760,000	(344,278)
9 Other Income :			
Dividend Received		5,658	1,326
Fair Value change of Investment		-	181,322
Interest Received		9,961,933	8,042,768
	TOTAL	9,967,591	8,225,416
10 Employee Benefit Expenses :			
Director Remuneration		336,000	306,000
Salary to Staff		1,320,704	1,729,789
Bonus		155,850	149,400
Leave Encashment		-	33,250
	TOTAL	1,812,554	2,218,439

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	31 st March, 2020 (in Rupees)	31 st March, 2019 (in Rupees)
11 Other Expenses :		
Advertisement & Publicity	46,253	34,235
Annual Listing Fees	375,240	310,057
Audit Fees	29,500	39,500
Bank Charges	1,437	4,797
Conveyance Expenses	42,419	67,170
Court Fees	-	14,630
Depository Charges	18,835	-
Director Sitting Fees	22,000	24,000
Electricity Charges	178,360	248,120
Employees Welfare Expenses	158,190	182,675
Entertainment Expenses	209,951	214,711
Excess Payment Refunded	-	20,822
Loss on Fair Value change of Investment	131,916	-
General Expenses	29,226	87,701
Interest / Penalty on Profession Tax	1,000	660
Membership & Subscription Charges	179,996	184,080
Motor Car Expenses	32,193	
Office Expenses	55,742	62,239
Rent paid	24,000	24,000
Postal Charges	50,113	59,940
Printing & Stationery	95,127	133,143
Professional & Legal Fees	824,860	738,538
Rates & Taxes	26,340	13,872
Repairs and Maintenance	16,620	37,383
Share Registry Expenses	128,224	447,283
SEBI Fees	-	150,000
Sundry Balance Written Off	240,511	-
Telephone Expenses	28,637	12,643
Travelling Expenses	35,736	301,691
TOTAL	2,982,427	3,413,889

12 Company has discontinued manufacturing operations inspite of that accounts have been prepared on Going Concern Basis.

13 The Adjudicating Officer of SEBI has imposed a penalty of Rs. 3,22,00,000/- in the matter of Indian Infotech & Software Ltd under Regulation 8(1), 8(2) and 11(1) read with 14 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 on the Company and other entities which is payable jointly and severally, for which Company has filed an appeal before Securities Appellate Tribunal (SAT). Since Appeal is pending before SAT, no provision has been made in the books of accounts of the Company during the year.

14 The Company has received Notice from Sale Tax Department for payment of BST Rs. 9,50,255/- and CST Rs. 1,67,560/- for Financial Year 1989-1990 for which Company has filed an appeal before Hon'ble High Court, Bombay and Company assumed that no demand will be there. Therefore, no provision has been made in the accounts.

15 Earning Per Shares (EPS) computed in accordance with Accounting Standard 20:

	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
A	Profit / Loss After Tax as per Accounts	4,151,548	2,062,904
B	Number of Shares	1,500,000	1,500,000
C	Basic & Diluted EPS	2.77	1.38
D	Nominal Value of Equity Shares	Rs. 10/-	Rs. 10/-

16 RELATED PARTY DISCLOSURE :**List of Related Parties:**

- a) **Associates** Nil
- b) **Enterprise owned or significantly influenced by key management personnel or their relatives.**
- 1) M/s Citric India Ltd. - Group Company
 - 2) S. B. Somani - Director & CEO
 - 3) Ashok Somani - Director & CFO
 - 4) Shanta Somani - Director
 - 5) Neha Vora - Company Secretary & Compliance Officer

c) Director Remuneration:

Particulars	31.03.2020	31.03.2019
Salary	336,000.00	306,000.00
	336,000.00	306,000.00

17	Payment to Auditors	31.03.2020	31.03.2019
	Audit Fees Incl. GST	29,500.00	29,500.00
	Total	29,500.00	29,500.00

18 In view of discontinuance of manufacturing operations and uncertainty in set off of carried forward losses against future profits, the Company has not recognised the deferred tax assets and liabilities as per Accounting Standard AS-22 issued by the Institute of Chartered Accountants of India.

19 In Accordance with the notification issued by the Ministry Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April, 2016.

The above presented Standalone Statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013.

20 Previous year's figures have been regrouped wherever necessary.

As per our Report Annexed

For VMD & Co.
Chartered Accountants
Firm Reg. No. 125002W

Sd/-
CA Amit Ganpule
Partner (Membership No. 114222)
UDIN : 20114222AAAACM3184

Place : Mumbai
Date : 26th June, 2020

On behalf of Board of Directors

Sd/-
S. B. SOMANI
DIRECTOR & CEO
DIN NO.: 00077939

Sd/-
NEHA VORA
COMPANY SECRETARY AND
COMPLIANCE OFFICER

Sd/-
ASHOK SOMANI
DIRECTOR & CFO
DIN NO.: 03063364