

**AJIT M. GHELANI**  
**B.Com (Hons), F.C.A., GRAD. C.W.A.**

**CHINTAN A. GHELANI**  
**B.Com (Hons), F.C.A., C.S**

## **INDEPENDENT AUDITORS' REPORT**

To,  
The Members of  
**MONARCHY HEALTHSERVE PRIVATE LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone Ind AS financial statements of **Monarchy Healthserve Private Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2020 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit/(Loss) and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 independence requirements that are relevant to our audit of the standalone 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 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 standalone financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



**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 Act with respect to the preparation of these standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

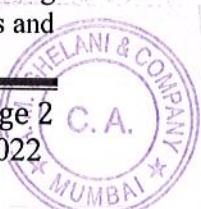
In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the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

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

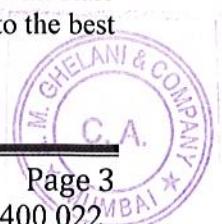


Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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, 2016, as amended in our opinion and to the best of our information and according to the explanations given to us:



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- i. The Company has no pending litigations on its financial position in its standalone Ind AS financial statements.
- ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
- iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year; and

For A.M. Ghelani & Company  
Chartered Accountants  
Registration No : 103173W



**Chintan Ajit Ghelani**

Partner

Membership No.: 104391

ICAI UDIN : 20704391AAAAABM6510

Place : Mumbai

Dated : 30<sup>th</sup> June 2020

**"Annexure A" referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date**

**The Annexure referred to in Independent Auditor's Report to the members of the company on the standalone Financial Statements for the year ended 31st March 2020, we report that:**

i) In respect of its Fixed Assets :

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets, which we are informed, are being updated.
- b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. The Company does not have any immovable properties.

ii) In respect of its Inventories :

The Company does not hold any inventory, therefore reporting requirement under Clauses (ii) of the paragraph 3 of the Order not applicable to the company.

iii) The Company has not granted any loans, secured or unsecured, to Companies / firms or other parties covered in the register maintained under section 189 of the Act. Consequently, the requirement of Clause (iii) (a) and Clause (iii) (b) of paragraph 3 of the Order not applicable to the company.

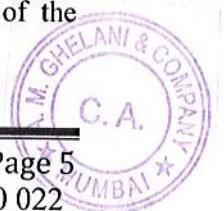
iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the companies Act, 2013, wherever applicable, in respect to grants of the loans, making investments and providing guarantees and securities.

v) According to the information and explanations given to us, the company has not accepted any deposits within the meaning of provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed hereunder. Therefore, provisions of Clause (v) of paragraph 3 of the Order are not applicable to the company.

vi) According to information and explanations provided to us, the Company is not required to maintain accounts and cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 and as specified by the Central Government of India under Section 148(1) of the Companies Act, 2013. Accordingly, paragraph 3(vi) of the Order is not applicable.

vii) In respect of Statutory dues :

- a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, GST, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues which are applicable to the company, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.
- b. Based on the records produced before us and the information and explanations given to us, we report that there were no disputed statutory dues outstanding as at the end of the financial year.

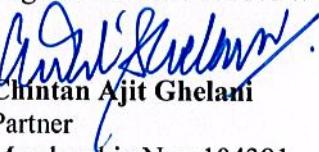


**A. M. GHELANI & COMPANY  
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- viii) As per information and explanations given to us the company has not borrowed any funds from financial institutions or bank. Therefore, the provisions of clause (viii) of the order are not applicable.
- ix) The Company has not obtained any term loans during the year under report.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements as per the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi) Based upon information and explanation given by the management, No managerial remuneration has been paid or provided by the Company. Therefore, the provisions of clause (xi) of the order not applicable to the Company.
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Paragraph 3 of the Order are not applicable to the Company.
- xiii) In our opinion and as per the information and explanations given to us, all the transactions with related parties are in compliance with section 177 and 188 of The Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- xiv) In our opinion and as per the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- xv) In our opinion and as per the information and explanations given to us, the Company has not entered into any Non-Cash transaction with Director or Persons connected with him. Hence, the requirement of Clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A.M. Ghelani & Company  
Chartered Accountants  
Registration No : 103173W

  
Chintan Ajit Ghelani  
Partner  
Membership No.: 104391



ICAI UDIN : 20704391AAAABM6510

Place : Mumbai

Date : 30<sup>th</sup> June 2020

**“Annexure B” referred to in paragraph 2(f) under the heading Report on other legal and regulatory requirements of our report of even date**

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

We have audited the internal financial controls over financial reporting of **MONARCHY HEALTHSERVE PRIVATE LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone 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”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

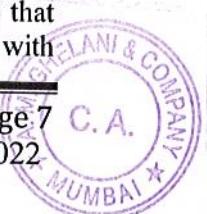
Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with



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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 because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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".



**For A.M. Ghelani & Company  
Chartered Accountants  
Registration No : 103173W**

**Chintan Ajit Ghelani  
Partner  
Membership No.: 104391**

**ICAI UDIN : 20104391AAAABM6510**

**Place : Mumbai**

**Date : 30<sup>th</sup> June 2020**

# Monarchy Healthserve Private Limited

CIN: U74999MH2007PTC167204

BALANCE SHEET AS ON 31ST MARCH, 2020

Particulars	Note no.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
Non-current assets			
Property, Plant and Equipment	6	96,497	131,178
Intangible Assets	6	227,487,308	235,912,800
Deferred tax assets (Net)	7	44,305	44,169
(A)		<b>227,628,110</b>	<b>236,088,147</b>
<b>Current Assets</b>			
Financial assets			
- Trade Receivables	8	10,606,875	2,021,628
- Cash and Cash Equivalents	9	184,638	39,441
Other Current Assets	10	2,045,186	559,571
(B)		<b>12,836,699</b>	<b>2,620,640</b>
<b>TOTAL ASSETS (A + B)</b>		<b>240,464,809</b>	<b>238,708,787</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity Share Capital	11	4,708,600	4,708,600
Other Equity	12	215,441,367	218,592,666
(A)		<b>220,149,967</b>	<b>223,301,266</b>
Current liabilities			
Financial Liabilities			
- Short Term Borrowings	13	970,000	970,000
- Trade Payable	14		
- Micro & Small Enterprises		5,584,612	1,971,787
- Others		178,670	148,670
Provisions	15	13,581,560	12,317,064
Other Current Liabilities	16		
(B)		<b>20,314,842</b>	<b>15,407,521</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B)</b>		<b>240,464,809</b>	<b>238,708,787</b>
Significant Accounting policies and Notes on Financial Statements		1 to 32	

As per our Report of even date

For A. M. Ghelani & Company  
Chartered Accountants  
Firm Registration No. : 103173W



*Chintan Ajit Ghelani*  
Chintan Ajit Ghelani  
Partner  
Membership no. : 104391  
Mumbai  
Dated: 30th June, 2020

For and on behalf of the Board of Directors

*Mukund Mehta*  
Mukund Mehta  
Director  
DIN:00147876



*Mira Mehta*  
Mira Mehta  
Director  
DIN: 01902831

## Monarchy Healthserve Private Limited

CIN: U74999MH2007PTC167204

Statement of Profit and Loss for the year ended 31st March, 2020

Particular	Notes	2019-20	2018-19	Amount in INR
<b>Income</b>				
Revenue from Operations:	17	71,891,831	4,828,257	
Other income	18	2,090,173	790,743	
<b>Total Income</b>		<b>73,982,004</b>	<b>5,619,000</b>	
<b>Expenses</b>				
Purchases Cost		64,641,575	1,566,343	
Employee benefit expenses	19	365,691	548,015	
Depreciation & Amortisation	6	8,460,173	8,473,021	
Other Expenses	20	3,665,999	4,415,167	
<b>Total Expenses</b>		<b>77,133,438</b>	<b>15,002,546</b>	
<b>Profit / ( Loss) before Tax</b>		<b>(3,151,435)</b>	<b>(9,383,546)</b>	
<b>Less: Tax expense</b>				
a) Current Tax		-	-	
b) Deferred Tax	7	136	5,628	
<b>Profit / (Loss) for the year</b>		<b>(3,151,299)</b>	<b>(9,377,918)</b>	
<b>Other Comprehensive Income</b>				
A. Items that will not be reclassified to Profit and Loss A/C		-	-	
B. Income Tax relating to the items that will not be reclassified to Profit and Loss A/C		-	-	
<b>Total Other Comprehensive Income for the Year (A+B)</b>		<b>-</b>	<b>-</b>	
<b>Total Comprehensive Income</b>		<b>(3,151,299)</b>	<b>(9,377,918)</b>	
<b>Basic and diluted earning per share</b> (Face value Rs. 10 per share)	23	(61.96)	(184.50)	
<b>Significant Accounting policies and Notes on Financial Statements</b>	1 to 32			

As per our Report of even date

For A. M. Ghelani & Company  
Chartered Accountants  
Firm Registration No. : 103173W



For and on behalf of the Board of Directors

Chintan Ajit Ghelani  
Partner  
Membership no. : 104391  
Mumbai  
Dated: 30th June, 2020

Mukund Mehta  
Director  
DIN:00147876



Mira Mehta  
Director  
DIN: 01902831

**Monarchy Healthserve Private Limited**

**CIN: U74999MH2007PTC167204**

**Cash Flow Statement for the year ended 31st March, 2020**

(Amount in INR)

Particulars	For the year ended	For the year ended
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	(3,151,435)	(9,383,546)
<i>Adjustments for:</i>		
Loss on Sale of assets		7,481
Reserve of Doubtful Debts	15,473	
Depreciation & Amortisation	8,460,173	8,475,646
<b>Operating profit / (loss) before working capital changes</b>	<b>5,324,211</b>	<b>(903,044)</b>
<i>Changes in working capital:</i>		
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	3,612,825	1,409,581
Other current Liabilities	1,264,496	1,525,766
Provisions	30,000	30,000
Trade Receivables	(8,600,720)	(2,021,628)
Other Current Asset	(1,485,615)	(5,179,014)
Cash generated from operations	145,197	19,488
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>145,197</b>	<b>19,488</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from sale of fixed assets		5,000
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>5,000</b>
<b>C. Cash flow from financing activities</b>		
Others		
<b>Net cash flow from / (used in) financing activities (C)</b>		
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>145,197</b>	<b>24,488</b>
Cash and cash equivalents at the beginning of the year	39,441	14,953
<b>Cash and bank balance at the end of the year</b>	<b>184,638</b>	<b>39,441</b>
<b>Cash and cash equivalents at the end of the year *</b>		
* Comprises:		
(a) Cash on hand	26,203	13,740
(b) Balances with banks	-	-
(i) In current accounts	158,435	25,701
(ii) In earmarked accounts	184,638	39,441

As per our report of even date

For A. M. Ghelani & Company

Chartered Accountants

Firm Registration No. : 103173W



Chintan Ajit Ghelani

Partner

Membership no. : 104391

Mumbai

Dated: 30th June, 2020



For and on behalf of the Board of Directors

  
Mukund Mehta  
Director  
DIN: 00147876



  
Mira Mehta  
Director  
DIN: 01902831

# Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

## **Note 1 - corporate Information:**

The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at 37/15, Ujagar Industrial Estate, W.T. Patil Marg, Deonar, Mumbai - 400088. These financial statements were approved and adopted by the Board of Directors of the Company in their meeting dated 30<sup>th</sup> June 2020.

## **Note 2 - Basis of preparation of Financial Statements:**

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes on Financial Statements and are applied consistently to all the periods presented.

## **Note 3 - Significant Accounting policies:**

**a) Functional and presentation of currency:** The financial statements are presented in Indian Rupees, which is the Company's functional currency.

**b) Basis of measurement:** The Financial Statements have been prepared on historical cost basis, except the following:

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.
- Share Based Payments.

**c) Use of Estimates:** The preparation of the financial statements requires management to make estimates, judgments and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**d) Property, Plant and Equipment:** Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value** Depreciation is calculated using the Written down Value method to allocate their cost, net of their residual values, over their estimated useful lives as specified by Schedule II to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

**e) Intangible assets:** Identifiable intangible assets are recognised when the Company controls the asset & it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over the period on straight line basis. The asset's useful life is reviewed at each financial year end.



# Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

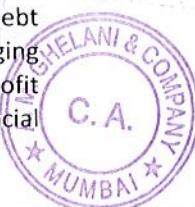
**Amortisation methods and periods:** Intangible assets are amortised over its useful life using the straight-line method. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of utilisation of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

**f) Impairment of Non – Financial Assets:** The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used. The Company has obtained a Valuation/Estimation Report for its annual testing for Impairment of Goodwill and has recognised the impairment accordingly in the Statement of Profit and Loss.

**g) Financial Instruments:** A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instruments are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

## Financial Assets and investments

- i) **Initial recognition and measurement:** At initial recognition, the company measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.
- ii) **Subsequent recognition and measurement:** Subsequent measurement of financial asset depends on the company's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:
  - **Debt instrument at amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
  - **Debt instrument at fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in the statement of profit & loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
  - **Debt instrument at fair value through profit and loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit & loss and presented net in the statement of profit & loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.



# Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

• **Equity instruments:** All equity instruments are initially measured at fair value. Any subsequent fair value gain / loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity investments are recognised in Other Comprehensive Income.

• **Investment in Subsidiary and Associates:** The Company has accounted for its Investment in subsidiaries and associates at cost.

iii) **Derecognition:** A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;
  - a) The Company has transferred substantially all the risks and rewards of the assets,
  - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

iv) **Trade receivables:** A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are Notes to the Financial Statements for year ended 31<sup>st</sup> March 2018 recognised initially at fair value and subsequently measured at fair value less provision for impairment.

## Financial Liabilities:

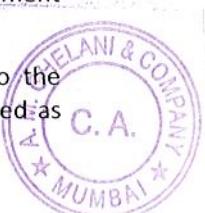
i) **Initial recognition and measurement:** All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) **Subsequent measurement:** The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit and loss:** Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit & loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

III) **Loans and Borrowings:** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit & loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

IV) **Trade and other payables:** These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.



# Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

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

**h) Impairment of Financial assets:** The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost.
- Financial asset measured at FVOCI debt instruments. The Company follows 'simplified approach' for recognition of impairment loss allowance on
- Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**i) Cash and cash equivalents:** Cash and cash equivalents includes cash on hand and at bank, deposits with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

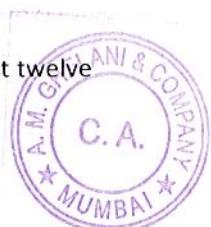
**j) Inventories:** Inventories are valued at lower of cost or net realisable value. Cost is determined on FIFO basis. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**k) Foreign currency transactions:** The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non- monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non- monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the statement of profit & loss.

**l) Classification of assets and liabilities as current and non-current:** The Company presents assets and liabilities in Balance Sheet based on current/non-current classification. An asset is classified as current when it is:

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

All other assets are classified as non-current.



# Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**m) Equity share capital:** Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

**n) Revenue Recognition:** Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

**Sale of goods :** Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of goods, it is probable that the economic benefit will flow the Company, the associated costs and possible return of goods can be estimated reliably, there is neither continuing management involvement to the degree usually associated with ownership nor effective control over the goods sold and the amount of revenue can be measured reliably.

Provisions for chargeback, rebates, discounts and medical aid payments are estimated and provided for in the year of sales and recorded as reduction of revenue.

**Sales Returns :** With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

**Interest income** Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate Notes to the Financial Statements for year ended 31<sup>st</sup> March 2018 is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

**Dividends:** Dividends are recognised when the right to receive the payment is established.

**o) Employees benefits:**

**(i) Short-term Employee benefits:** All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, short term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognised during the period in which the employees renders related services.

**(ii) Post-employment benefits**

**a. Defined Contribution Plan** The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognised in the statement of profit & loss in the period in which the employee renders the related services.

**b. Defined benefit plan** The Company has defined benefit plans comprising of gratuity. Company's obligation towards gratuity liability is Unfunded and Management has initiated a decision to be funded and managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit



# Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit & loss in subsequent periods. The expected return on plan assets is the Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date. The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost. Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

**(iii) Other long-term benefits** The Company has other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit & loss as income or expense. Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

**p) Borrowing Cost:** General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation. Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

**q) Income Taxes:**

**Current Income Tax:** Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate.

**Deferred Tax:** Deferred Tax is provided, using the Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**r) Provisions and contingencies:** Provisions are recognised 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. If the effect of the time value of money is material, provisions are discounted using the government securities' interest rate for the equivalent period. Unwinding of the discount is recognised in the Notes to the Financial Statements for year ended 31<sup>st</sup> March 2018 Statement of Profit and Loss as a finance cost. Provisions



# Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**s) Earning per share:** Basic earning per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## Note 4 - Use of Significant Accounting estimates, judgments and assumptions

In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which have significant effect on the amounts recognised in the financial statements:

**(a) Depreciation and useful lives of Property, Plant and Equipment:** Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

**(b) Impairment of Goodwill:** Goodwill is tested for Impairment on an annual basis and whenever there is an indication that the recoverable amount of a CGU is less than its carrying amount based on a number of factors including operating results, economic conditions etc. The Goodwill impairment test is performed at the level of CGU based on the market related information and estimates. The Management obtains an Estimation/Valuation Report for the same and this being a technical matter, the said Report and the Management's perception related to the said Impairment has been relied upon by the auditors. The Impairment/amortisation of Goodwill has accordingly been recognised/accounted as such in the financial statements.

**(c) Recoverability of trade receivables:** Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

**(d) Defined Benefit plans:** The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(e) Provisions:** Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgments to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**(f) Impairment of financial assets:** The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimates and judgments



# Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

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

**(g) Fair Value measurement:** The Company measures financial instrument such as certain investments, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## Note 5- Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

- Ind AS 12 – Income Taxes
- Ind AS 19 – Employee Benefits
- Ind AS 116 - Leases

Application of above standards are not expected to have any significant impact on the financial statements.



Note 6 : Property, Plant and Equipment						
Particulars	Furniture & Fixtures	Computer	Office Equipment	Electrical Installation	Goodwill [on Merger]	Total
<b>Gross Block</b>						
As at 01/04/2018	1,99,955	38,905	69,054	1,85,695	42,12,72,975	42,17,66,584
Additions	-	-	-	-	-	-
Disposals/transfers	-	-	37,500	-	-	37,500
As at 31/03/2019	1,99,955	38,905	31,554	1,85,695	42,12,72,975	42,17,29,084
Additions	-	-	-	-	-	-
As at 31/03/2020	1,99,955	38,905	31,554	1,85,695	42,12,72,975	42,17,29,084
<b>Accumulated Depreciation</b>						
As at 01/04/2018	1,25,767	35,555	52,338	88,761	17,69,34,682	17,72,37,103
Depreciation Charge/Amortisation	19,207	1,316	-23,109	25,096	84,25,493	84,48,003
As at 31/03/2019	1,44,974	36,871	29,229	1,13,857	18,53,60,175	18,56,85,106
Depreciation Charge/Amortisation	14,235	799	1,048	18,599	84,25,493	84,60,173
As at 31/03/2020	1,59,209	37,670	30,277	1,32,456	19,37,85,668	19,41,45,279
<b>Net Block</b>						
As at 31/03/2020	40,746	1,235	1,277	53,239	22,74,87,307	22,75,83,805
As at 31/03/2019	54,981	2,034	2,325	71,838	23,59,12,800	23,60,43,978

# Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

<b>Note 7 : Deferred Tax Assets</b>			
<b>Particulars</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
At the start of the year		44,169	38,541
Charges/(Credit) to Profit and Loss		136	5,628
At the end of the year		44,305	44,169

<b>Deferred Tax Assets</b>			
Related to Property, Plant and Equipment	34,953	34,817	
Provision for Gratuity/Leave Encashment	9,352	9,352	
<b>Total</b>	<b>44,305</b>	<b>44,169</b>	

<b>Note 8 : Trade Receivables</b>			
<b>Particulars</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Unsecured,			
Considered Good	10,606,875		2,021,628
Less : Allowance for Expected Credit Loss			
Credit impaired	15,473		-
Less : Allowance for Expected Credit Loss	(15,473)		-
<b>Total</b>	<b>10,606,875</b>		<b>2,021,628</b>

<b>Note 9 : Cash and Cash Equivalents</b>			
<b>Particulars</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Cash on Hand	26,203		13,740
Balance with scheduled banks			
In current accounts	1,58,435		25,701
<b>Total</b>	<b>1,84,638</b>		<b>39,441</b>

<b>Note 10 :Other Current Assets</b>			
<b>Particulars</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Rent Deposit	3,00,000		2,00,000
Balance With Government Authorities	17,45,186		3,59,571
<b>Total</b>	<b>20,45,186</b>		<b>5,59,571</b>

<b>Note 11 : Share Capital</b>				
<b>Particulars</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>	
	<b>Number</b>	<b>Amount (Rs)</b>	<b>Number</b>	<b>Amount (Rs)</b>
<b>Authorised</b>	-	-	-	-
Equity shares of Rs.10 each with voting rights	52,000	5,20,000	52,000	5,20,000
12% non-convertible Redeemable preference shares of Rs 10 each	4,20,000	42,00,000	4,20,000	42,00,000
<b>Total</b>	<b>4,72,000</b>	<b>47,20,000</b>	<b>4,72,000</b>	<b>47,20,000</b>
<b>Issued, subscribed and paid up</b>				
Equity shares of Rs.10 each with voting rights	50,860	5,08,600	50,860	5,08,600
12% non-convertible Redeemable preference shares of Rs 10 each	4,20,000	42,00,000	4,20,000	42,00,000
<b>Total</b>	<b>4,70,860</b>	<b>47,08,600</b>	<b>4,70,860</b>	<b>47,08,600</b>


  
 N. CHELANI & COMPANY  
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# Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

**a Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 is set out below:**

Equity Shares:-

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amount (Rs)	Number	Amount (Rs)
Number of Shares at the beginning of the year	50,860	5,08,600	50,860	5,08,600
Add: Shares issued during the year	-	-	-	-
Number of Shares at the end of the year	50,860	5,08,600	50,860	5,08,600

Preference Shares:-

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amount (Rs)	Number	Amount (Rs)
Number of Shares at the beginning of the year	4,20,000	42,00,000	4,20,000	42,00,000
Add: Shares issued during the year	-	-	-	-
Number of Shares at the end of the year	4,20,000	42,00,000	4,20,000	42,00,000

**b Rights, Preferences and Restrictions attached to the shares Equity Shares**

The Company has single class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

c. Particulars of shareholders holding more than 5% of the aggregate shares in the company.	As at 31st March 2020		As at 31st March 2019	
	Number	%	Number	%
Equity Shares : KILITCH DRUGS(INDIA) LIMITED	50,859	99.998%	50,859	99.998%
Preference Shares : KILITCH DRUGS(INDIA) LIMITED	4,20,000	100.00%	4,20,000	100.00%

Note 12 : Other Equity			
Particulars	As at 31st March 2020		As at 31st March 2019
	Amount (Rs.)		Amount (Rs.)
Securities Premium			41,58,00,000
Profit & Loss Account			
Opening Balance		(19,72,07,334)	(18,78,29,416)
(+) Profit / Loss for the year		(31,51,299)	(93,77,918)
Closing Balance		(20,03,58,633)	(19,72,07,334)
Total		21,54,41,367	21,85,92,666

**Note:**

1. Securities Premium: Security Premium reserve represents premiums received on preference shares issued and the same can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.
2. Profit and Loss Account: The balance lying in Profit and Loss can be utilised for purposes such as dividend payout, Issue of bonus shares etc.



## Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

Note 13 :Short term Borrowings		As at 31st March 2020	As at 31st March 2019
Particulars		Amount (Rs.)	Amount (Rs.)
<b>Unsecured Loan [Repayable on Demand]</b>			
Loan from Director			
Mukund.P.Mehta		9,70,000	9,70,000
<b>Total</b>		<b>9,70,000</b>	<b>9,70,000</b>

Note 14 :Trade payable		As at 31st March 2020	As at 31st March 2019
Particulars		Amount (Rs.)	Amount (Rs.)
Micro & Small Enterprises		-	-
Others		55,84,612	19,71,787
<b>Total</b>		<b>55,84,612</b>	<b>19,71,787</b>

Note 15 : Provisions		As at 31st March 2020	As at 31st March 2019
Particulars		Amount (Rs.)	Amount (Rs.)
Provision for Gratuity		35,968	35,968
Provision for expenses		1,42,702	1,12,702
<b>Total</b>		<b>1,78,670</b>	<b>1,48,670</b>

Note 16 : Other Current Liabilities		As at 31st March 2020	As at 31st March 2019
Particulars		Amount (Rs.)	Amount (Rs.)
Statutory Dues		1,03,151	16,614
Advance from Holding Company		1,34,19,564	1,22,37,206
Outstanding Expenses		58,845	63,244
<b>Total</b>		<b>1,35,81,560</b>	<b>1,23,17,064</b>

Note 17 : Revenue from Operations:		2019-20	2018-19
Particulars		Amount (Rs.)	Amount (Rs.)
Sales From Export		6,76,27,820	19,97,624
Consultancy Charges of the Family Clinics		42,64,011	28,30,633
<b>Total</b>		<b>7,18,91,831</b>	<b>48,28,257</b>

Note 18 : Other Income		2019-20	2018-19
Particulars		Amount (Rs.)	Amount (Rs.)
FOREX GAIN/LOSS – UNREALISED		18,59,821	24,003
Discount Received		2,30,352	7,44,160
Miscellaneous Receipts		-	22,580
<b>Total</b>		<b>20,90,173</b>	<b>7,90,743</b>

Note 19 : Employee benefits expenses		2019-20	2018-19
Particulars		Amount (Rs.)	Amount (Rs.)
Salaries & Bonus		3,62,565	5,43,096
Employee Cost LTA		3,126	4,919
<b>Total</b>		<b>3,65,691</b>	<b>5,48,015</b>



## Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

<b>Note 20 : Other Expenses</b>		<b>2019-20</b>	<b>2018-19</b>
<b>Particulars</b>		<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Purchases of Medicines	-		3,02,769
Professional charges [incl. Testing/Laboratory charges]	4,50,985		28,15,355
Freight, Clearing & Forwarding Charges – Exports	28,14,573		-
Audit Fees	30,000		30,000
Other Professional Services	-		30,000
Bank Charges	67,922		29,226
Electricity Charges	2,810		72,260
Office Expenses	86,341		1,42,353
Printing & Stationery	6,340		3,027
Telephone Expenses	-		11,538
Incentive	-		18,220
Repairs and Maintenance	-		9,000
Rent Rates and Taxes	1,46,534		9,12,616
Fees & Subscription Expenses	42,371		4,800
Profession Tax	2,500		2,500
Advertisement Expenses	150		24,022
Reserve for Doubtful Debts	15,473		-
Loss on Sales of Assets	-		7,481
<b>Total</b>	<b>36,65,999</b>		<b>44,15,167</b>

21. Considering the nature of the operations of the company, in the opinion of the management, there are no separate reportable segments in accordance with the requirement of the Ind AS 108 - Operating Segments. Managing Director (the 'Chief Operational Decision Maker' as defined in Ind AS 108) monitors the operating results of the company's business for the purpose of making decisions about resource allocation and performance assessment.

The revenues from transactions with a single customer does not exceed 10 per cent or more of the company's revenues.

Party	Country	Amount (Rs.)
Kilitch Estro Biotech PLC	Ethiopia	676,27,809

22. In view of the Ind AS 24 "Related Parties Disclosures", the disclosure in respect of related party transactions for the year ended on 31<sup>st</sup> March 2020 is as under:

<b>RELATIONSHIPS</b>	
<b>Category I : Holding company of the Company</b>	
Kilitch Drugs India Ltd	

<b>Category II : Key Managerial Personnel</b>	
<b>Key Person</b>	<b>Designation</b>
Mukund Prataprai Mehta	Director

<b>Category III : Enterprise over which Key Managerial Personnel are able to exercise significant Control</b>	
<b>Name</b>	<b>Relationship</b>
NBZ Healthcare LLP	Directors are partners
Kilitch Estro Biotech PLC	Subsidiary of Holding Company



## Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

a)	<b>Transactions during the year:</b>			
	TRANSACTIONS	Category I	Category II	Category III
1	Advance received (Net)	13,28,093 (16,29,174)	- (-)	- (-)
2	Sales	21,83,216 (NIL)	-	6,76,27,809 (19,97,625)
3	Purchases	5,86,01,891 (17,99,610)	-	-

b) The following balances were due from / to the related parties as on 31-03-2020

Sr.No.	TRANSACTIONS	Category I	Category II	Category III
1	Trade Receivables	18,72,918 (NIL)	-	87,49,430 (20,21,628)
2	Loans and Advances (Payables)	1,34,19,564 (122,37,206)	9,70,000 (9,70,000)	-
3	Trade Payables	25,329 (17,99,610)	-	52,37,685 (48,676)

**Note:** Figures in brackets indicates previous year figure.

1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. These balances are unsecured and their settlement occurs through banking channel.

### Compensation of key management personnel:

The remuneration of director and other member of key management personnel during the year was as follows:

Particulars	2019-20	2018-19
Short-term benefits	-	-
Other long term benefits	-	-

### **23. EARNING PER SHARE (EPS)**

Basic as well as Diluted EPS	2019-20	2018-19
Net Profit after Tax (Amount in Rs.)	(31,51,299)	(93,77,918)
Weighted Average No. of Equity Shares for Basic EPS	50,860	50,860
Nominal Value of Equity Shares (Rs)	10	10
Basic Earnings Per Share (Rs)	(61.96)	(184.50)
Diluted Earning Per Share (Rs)	(61.96)	(184.50)

### **24. CONTINGENT LIABILITIES :-**

There are no contingent liabilities.

### **25. The Auditors' Remuneration includes:**

(Rs.in Lakhs)

Particulars	2019-20	2018-19
Audit fees	30,000	30,000
Other Professional Services	-	30,000
<b>Total</b>	<b>30,000</b>	<b>60,000</b>

26. The Company's Board, out of abundant caution and as a prudent practice in line with the standard accounting practices has not made any impairment provision against its investments for the financial year 2019-20.



# Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

27. The balances in respect of Trade Receivables & Payables, loans and advances, as appearing in the books of accounts are subject to confirmations by the respective parties and adjustments/reconciliation arising there from, if any.

## 28. Corporate Social Responsibility:

The company is not required to spend any amount pertaining to CSR as per Section 135 of the Companies Act, 2013 read with Schedule VII due to incurring losses during previous Financial Years.

29. The previous year figures have been regrouped, reworked, rearranged and reclassified, wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

## 30. Fair Value of Financial Assets and Liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are recognised in the financial statements.

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Carrying Value
<b>Financial assets designated at amortised cost</b>				
- Investments	-	-	-	-
- Trade Receivables	1,06,06,875	1,06,06,875	20,21,628	20,21,628
- Cash & cash Equivalents	1,84,638	1,84,638	39,441	39,441
<b>Total</b>	<b>1,07,91,513</b>	<b>1,07,91,513</b>	<b>20,61,069</b>	<b>20,61,069</b>
<b>Financial liabilities designated at amortised cost</b>				
Borrowings	9,70,000	9,70,000	9,70,000	9,70,000
Trade payables and others	55,84,611	55,84,611	19,71,787	19,71,787
<b>Total</b>	<b>65,56,611</b>	<b>65,56,611</b>	<b>28,41,787</b>	<b>28,41,787</b>

### Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

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

- Fair value of the Equity Shares are based on price quoted on stock exchange.
- Fair value of investment in unquoted equity shares are considered same as carrying value as the same are recently acquired.
- Fair value of Financial Assets & Financial Liability (except which are shown at their fair value) are carried at amortised cost if not materially different from its carrying cost.

### Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

### **Note – 31. Financial Risk Management:**

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.



# Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

- **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 prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

- **Foreign currency risk:**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency. The Company generally transacts in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency. The Company is exposed to insignificant foreign exchange risk as at the respective reporting dates.

- **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 interest rates. The Company is not exposed to interest rate risk as the Company has fixed rate of borrowings as at the respective reporting dates.

- **Commodity and Other price risk:**

The Company is not exposed to the commodity and other price risk.

- **Credit Risk:**

Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments.

**Trade and other receivables:**

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Company continues regular follow-up, engage with the customers, legal options / any other remedies available with the objective of recovering these outstanding. The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast spectrum and hence, the concentration of risk with respect to trade receivables is low. The Company also takes security deposits, advances, postdated cheques etc. from its customers, which mitigate the credit risk to an extent."

**Cash and cash equivalents and other investments**

The Company is exposed to counter party risk relating to medium term deposits with banks and investment in mutual funds. The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. "

**Exposure to credit risk:**

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 is as follows:

Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):	As at 31/03/2020	As at 31/03/2019
Cash and cash equivalents	184,638	39,441
Trade receivables	1,06,06,875	20,21,628

**Capital Management:**

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to



# Notes to the Financial Statements

for year ended 31<sup>st</sup> March, 2020

support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2020 and March 31, 2019.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

Particulars	As At 31-03-2020	As At 31-03-2019
Loans and Borrowings		
Less: Cash and cash equivalents + Bank Deposits	184,638	39,441
Net Debt	(184,638)	(39,441)
Total Capital	22,01,49,967	22,33,01,266
Capital + Net Debt	21,99,65,329	22,52,33,612
Gearing Ratio	0%	0%

## Note -32.TAXATION:

Income tax related to items charged or credited to profit or loss during the year:		
	2019-20	2018-19
<b>A Statement of Profit or Loss</b>		
1 Current Income Tax (Net of MAT Credit)	-	-
	-	-
2 Deferred Tax expenses/ (benefits):		
Relating to origination and reversal of temporary differences	136	5,628
	136	1,481
<b>Total Income tax Expenses (1 to 2)</b>	<b>136</b>	<b>5,628</b>

<b>B</b>	<b>Deferred Tax Recognised in statement of profit and Loss relates to the following:</b>	
	2019-20	2018-19
Difference between book and Tax depreciation	34,953	34,817
Expenses allowable on payment basis	9,352	9,352
Deferred Tax Liabilities/ (Asset)	44,305	44,169

<b>C</b>	Particulars	2019-20	2018-19
	<b>Reconciliation of deferred tax (liabilities)/assets-net:</b>		
Opening balance as on 1 <sup>st</sup> April	44,169	38,541	
Tax expenses / (income) during the year	136	5,628	
Closing balance as on 31 <sup>st</sup> March	44,305	44,169	

The previous year figures have been regrouped, reworked, rearranged and reclassified, wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our Report of even date

For A. M. Ghelani & Company

Chartered Accountants

Firm Registration No. : 103173W

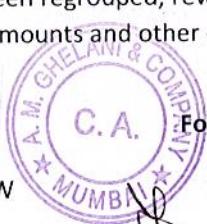
Chintan Ajit Ghelani

Partner

Membership no. :104391

Place: Mumbai

Date:30<sup>th</sup> June 2020



For and on behalf of the Board of Directors

Mukund Mehta

Director

DIN:00147876

Mira Mehta

Director

DIN:01902831

