BHUTA SHAH & CO LLP
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Members of

Arjun Food Colorants Manufacturing Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Arjun Food Colorants Manufacturing Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements gives a true and fair view in conformity, with the aforesaid accounting standards and other accounting principles generally accepted in India prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the loss and other 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 Ind AS 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 Ind AS 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 Ind AS financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. However, expressing our opinion on the adequacy of internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls under section 143(3)(i) of the Act is not applicable to the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid financial statements comply with the relevant accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, the same is not applicable to the Company.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which are required to be disclosed in its financial statements;

   ii. The Company does not have any long – term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.: 10147W/W100100

T.C. Laliwala

Tejas Laliwala
Partner
Membership No.:127487
UDIN: 20127487AAAABP4180

Mumbai; 23 June, 2020

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"Annexure A"

To the Independent Auditors' Report on the financial statements of Arjun Food Colorants Manufacturing Private Limited for the year ended 31 March, 2020

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Arjun Food Colorants Manufacturing Private Limited** of even date.)

i. In respect of property, plant and equipment:

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   b. As informed to us, the property, plant and equipment have been physically verified by the Management during the period according to a phased programme. In our opinion, such programme is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification by the Management.

   c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, which are included under the head property, plant and equipment, are held in the name of the Company.

ii. In our opinion and according to the information and explanations given to us, the Company has not maintained Inventory at any point of time during the year. Accordingly, the provisions of Clause (ii) of Para 3 of the Order are not applicable to the Company.

iii. The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act and accordingly, the provisions of Clause (iii) (a) to (c) of Para 3 of the Order are not applicable to the Company.

iv. The Company has not granted any loan under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act, with respect to the investment and guarantees. The Company has neither given any security nor given any loans during the year.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of Section 73 to 76 of the Act and rules framed thereunder, and accordingly, the provisions of Clause (v) of Para 3 of the Order are not applicable to the Company.

vi. According to the information and explanation given to us, Central Government has not prescribed the maintenance of cost records under section (1) of Section 148 of the Act,

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and accordingly, the provisions of Clause (vi) of Para 3 of the Order are not applicable to the Company.

vii. In respect of statutory dues:

a. According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, Employees' State Insurance, Income-tax, Goods and Service tax, cess or /and any other material statutory dues wherever applicable. According to the information and explanations given to us there were no outstanding statutory dues as on 31 March 2020 for a period of more than six months from the date they became payable.

b. According to the information and explanation given to us, there are no dues outstanding in respect of Income-tax, Custom duty, Goods and Service tax, Cess or/and any other material statutory dues wherever applicable, which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company does not have any loans and borrowings from the financial institutions, banks, government or dues to debenture holders, and accordingly, paragraph3(viii) of the Order is not applicable to the Company.

ix. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not raised money by way of initial public offer or further public offer or term loan. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. The Company is a private limited company. Therefore, the provisions of the section 197 read with schedule V of the Act is not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of Clause (xii) of Para 3 of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made rights issue of shares during the year and requirements of Section 42 of the Act have been complied with and the amount raised has been used for the purposes for which the funds were raised.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors, requiring compliance with Section 192 of the Companies Act.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the Company.

For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.: 10147W/W100100

T. C. Laliwala

Tejas Laliwala
Partner
Membership No.:127487
UDIN: 20127487AAAABP4180

Mumbai; 23 June, 2020

Arjun Food Colorants Manufacturing Private Limited

Balance Sheet as at 31 March 2020

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
Assets			
Non-Current assets			
(a) Property, plant and equipment	3.1	13,391,798	13,635,286
(b) Capital work-in-progress	3.2	37,567,229	37,567,229
Total Non Current Assets		**50,959,027**	**51,202,515**
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	4	298,149	104,701
(b) Current Tax Asset		2,237	2,237
(c) Other Current Assets	5	1,273,076	1,265,006
Total Current Assets		**1,573,462**	**1,371,944**
Total Assets		**52,532,489**	**52,574,459**

Arjun Food Colorants Manufacturing Private Limited

Balance Sheet as at 31st March 2020

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
Equity and Liabilities			
Equity			
(a) Equity share capital	6	827,500	500,000
(b) Other equity	7	50,911,960	(776,805)
Total Equity		**51,739,460**	**(276,805)**
Liabilities			
1. Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	8	210,311	52,255,292
Total Non -current Liabilities		**210,311**	**52,255,292**
2. Current Liabilities			
(a) Financial liabilities			
i) Trade payables - MSME	9.1	27,170	19,500
ii) Trade payables - other than MSME	9.2	529,140	33,600
iii) Other financial liabilities	10	26,407	542,872
Total Current Liabilities		**582,717**	**595,972**
Total Equity and Liabilities		**52,532,488**	**52,574,459**

The notes referred to above form an integral part of the financial statements 3-26

As per our report of even date

For Bhuta Shah & Co LLP
Chartered Accountants
Firm's Registration no: 101474W / W100100

T. C. Laliwala

Tejas Laliwala
Partner
Membership No: 127487

For and on behalf of the Board of Directors

Bipin M. Manek
Director
DIN: 00416441

Mihir B. Manek
Director
DIN: 00650613

Place: Mumbai
Date: 23rd June, 2020

Arjun Food Colorants Manufacturing Private Limited

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

Particulars	Note No.	For the year ended	
		31st March, 2020	31st March, 2019
Income			
Revenue from operations		-	-
Other Income	11	-	500,856
Total Income		-	**500,856**
Expenditure			
Other expenses	12	383,735	527,551
Total Expenses		**383,735**	**527,551**
Profit /(Loss) before tax		(383,735)	(26,695)
Tax Expense			
Current Year		-	-
Deferred Tax charge		-	-
Profit for the year from continuing operations		**(383,735)**	**(26,695)**
Other Comprehensive Income			
i) Items that will not be reclassified subsequently to profit or		-	-
ii) Income tax related to above		-	-
Other Comprehensive Income		-	-
Total Comprehensive Income		**(383,735)**	**(26,695)**

Earnings per share			
Basic Earnings per share		(4.64)	(0.53)
Diluted Earnings per share		(4.64)	(0.53)

Significant accounting policies	2
The notes referred to above form an integral part of the financial statements	3-26

As per our report of even date

For Bhuta Shah & Co LLP
Chartered Accountants
Firm's Registration no: 101474W / W100100

T.C. Laliwala

Tejas Laliwala
Partner
Membership No: 127487

For and on behalf of the Board of Directors

Bipin M. Manek
Director
DIN: 00416441

Mihir B. Manek
Director
DIN: 00650613

Place: Mumbai
Date: 23rd June, 2020

Arjun Food Colorants Manufacturing Private Limited

Notes forming part of the financial statements as at 31 March 2020

No.	Particulars

1 Background

The Company Arjun Food Colorants Manufacturing Private Limited is planning to start the business of manufacturing and trading of food colours and trading in chemicals. The Company has been incorporated on 7 September 1995. The Company has not yet started operations.

2 Summary of Significant accounting policies

2.1 Basis of preparation of Financial Statements

Compliance with Ind AS: The financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accouting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013. The financial statements upto the year ended 31st March 2019 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Effective 1 April 2019, the company has adopted Ind AS and adoption was carried out in accordance with Ind AS 101 first time adoption of accounting standard, with 1st April, 2016 as the transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014 (IGAAP), which was the previous GAAP. The balances as at 31 March 2019, as per the audited accounts (IGAAP) regrouped / reclassified by the management where necessary to comply with the classification in accordance with Ind AS format as per Schedule III (amended) to the Companies Act, 2013 ("the Act"), have been considered as opening balances for the purpose of these Ind AS financial statements.

Functional and presentation currency: The financials statements are presented in Indian Rupees (INR or Rs.), which is also the company's functional currency. Foreign currency transactions are recorded at the exchange rates prevailing at the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gain / Loss arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the Statement of Profit and Loss, unless they are considered as an adjustment to borrowing costs, in which case they are capitalised along with the borrowing cost.

Going concern: The financial statements of the Company have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets or to amounts and classification of liabilities that may be necessary, if the Company is unable to continue as a going concern.

Classification of assets and liabilities : All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

Historical cost convention : The financial statements have been prepare on going concern basis under the historical cost convention except:

(a) certain financial instruments (including derivative instruments) and
(b) defined benefit plans

Which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

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Fair value measurement : The Company measures certain financial assets and financial liabilities including derivatives and defined benefit plans at fair value.

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 take place either

(a) in the principal market for the asset or liability or

(b) in the absence or a principal market, in the most advantageous market for the asset or liability.

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.

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

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.

2.2 Revenue Recognition:

Revenue from operations

Revenue from Sale of goods is recognised when all the following conditions are satisfied:

(i) When the significant risks and rewards in respect of ownership of goods has been transferred to the buyer as per the terms of the respective sales order;

(ii) Amount of revenue can be measured realiably;

(iii) It is probable that economic benefits associated with the transactions will flow to the entity; and

(iv) Cost incurred or to be incurred in respect of the transaction can be measure realiably.

Interest Income

Interest income is recognised using the time proportion method, based on the amount outstanding and the underlying interest rates.

Dividend income

Revenue is recognized when the shareholders' right to receive payment is established by the reporting date. Dividend income is included under the head "other income" in the Statement of Profit and Loss.

Other income

Revenue is recognised in respect of export incentives, insurance / other claims etc., when it is reasonably certain that the ultimate collection will be made.

2.3 Property plant and equipment

(i) Tangible property plant and equipment:

As per Ind AS 16 "Property, Plant and Equipment" Freehold land is carried at historical cost and all other property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable / adjustable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight,installation charges etc. The projects under construction are carried at costs comprising of costs directly attributable to brigning the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and attributable borrowing costs. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Property plant and equipment owned and operated by the Company are reported at cost, less accumulated depreciation and/or impairment losses, if any. Cost includes its purchase price including non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use.

Property, plant and equipment is eliminated from the financial statements on disposal or when no further economic benefit is expected from its use and disposal.

Gains or losses arising from disposal/retirement of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit and loss.

Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as property, plant and equipment.

(ii) Capital work-in-progress :

Capital work-in-progress comprises the cost of plant and machinery that are not yet ready for their intended use at the reporting date. Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under Long term loans and advances. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Intangible assets:

Intangible assets comprise primarily of computer software (including enterprise systems). Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

(iv) Depreciation :

a. Depreciation is provided on the “straight line method” based on the estimated useful life of assets which are equal to those suggested in Part C of schedule II of the Act.

(v) Derecognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit or loss in the year the asset is derecognised.

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BHUTA SHAH & CO LLP CHARTERED ACCOUNTANTS MUMBAI *(vi) Impairment Testing of Property, Plant and Equipment, Goodwill and Intangible Assets*

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

2.7 Leases

Under Ind AS 116, the Company has to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for almost all lease contracts. Interest expense on the lease liability and depreciation on the rightof-use asset are charged to the statement of profit and loss. In the cash flow statement, cash payments for the principal portion of the lease liability and its related interest are classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

A finance lease liability is recognised at the present value of the outstanding lease payment and right of use asset is initially measured at direct cost. Initial direct costs includes lease liability, payment made before commencement date and present value of site restoration / decommissioning obligation.

2.8 Foreign currency transactions

(i) Initial recognition

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of the transaction.

(ii) Measurement of monetary items denominated in foreign currency at the Balance Sheet date

Monetary items denominated in foreign currency (other than those related to acquisition of property plant and equipment) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Non monetary foreign currency items are carried at cost.

(iii) *Treatment of exchange differences*

Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of profit and loss.

The translation differences on monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of profit and loss. Non-monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

Transactions with fixed Rupee exposure are not revalued at the balance sheet date as the Company's exposure is fixed in INR terms.

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(iv) *Treatment for Forward Contracts*

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

2.9 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

Diluted EPS is computed by dividing the net profit / (loss) as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

3 Employee Benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences for paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is charged during the year to the Statement of profit and loss.

3.1 Taxes on income

(i) Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable laws.

Minimum Alternate Tax (MAT) paid in accordance with the laws, which gives future benefits in the form of adjustment to future income tax liability, is considered as assets if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. Currently the Company has not recognised MAT credit entitlement as an asset in the Balance Sheet on prudence basis.

(ii) Deferred tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are off set if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

MUMBAI 400 034

MUMBAI FRN

2.10 Borrowing costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

2.11 Provisions and contingencies

Provisions are recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised in the financial statements and are disclosed in the notes forming part of the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements.

2.12 Financial Assets and Investments

The Company classifies its financial assets in the following measurement categories:

(i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

(ii) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

(i) Amortised cost: 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 recognized in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

MUMBAI 400 034.

BHUTA SHAH & CO LLP MUMBAI FRN - 101474W/W100100 CHARTERED ACCOUNTANTS

(ii) 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 other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other income / expenses. Interest income from these financial assets is included in other income using the effective interest rate method.

(iii) Fair Value through profit or loss: 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 and loss and presented net in the statement of profit and loss within other income / expenses in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income / expenses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 2.17 details how the Company determines whether there has been a significant increase in credit risk.

De-recognition of financial assets

A financial asset is derecognised only when

(i) The Company has transferred the rights to receive cash flows from the financial asset; or
(ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.13 Financial Liabilities

Measurement of Financial Liabities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade payables are recognised initially at their transaction values which also approximate their fair values and subsequently measured at amortised cost less settlement payments. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Derivative financial instruments: The Company uses derivative financial instruments, such as foreign exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge accounting : The Company designates certain hedging instruments which include derivatives, embedded derivatives and non derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. At the inception of the hedge relationship, the Company documents the relationship between the hedging instruments and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

De-recognition

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 and Loss.

2.14 Offsetting of financial instruments

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

2.15 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. 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.

Judgements

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

(i) Operating lease commitments – Company as lessor;
(ii) Assessment of functional currency;
(iii) Evaluation of recoverability of deferred tax assets

Estimates and assumptions

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year :

(i) Useful lives of property, plant and equipment, investment property and intangible assets;
(ii) Fair value measurements of financial instruments ;
(iii) Impairment of non-financial assets;
(iv) Taxes;
(v) Defined benefit plans (gratuity benefits);
(vi) Provisions;
(vii) Valuation of inventories;
(viii) Contingencies

2.16 First Ind AS Financial statements

These are the Company's first financial statements prepared in accordance with Ind AS applicable as at 31st March, 2020. The Ind AS financial statements for the year ended 31 March 2020 have been prepared for the purpose of fit for consolidation.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31st March, 2020, the comparative information presented in these financial statements for the year ended 31st March, 2019 and in the preparation of an opening Ind AS balance sheet as at 1st April, 2018 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

The Company has prepared the opening Balance Sheet as per Ind AS as of the transition date which is 1st April, 2018, by

a) recognising all assets and liabilities whose recognition is required by Ind AS;
b) not recognising items of assets or liabilities which are not permitted by Ind AS;
c) reclassifying items from previous GAAP to Ind AS as required under Ind AS; and
d) applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below:

(i) *De-recognition of financial assets and liabilities*
The Company has applied the de-recognition requirements of financial assets and liabilities prospectively for transactions occurring on or after 01st April, 2018 (date of transition).

ARUN FOOD COLORANTS MFG. PVT. LTD. MUMBAI 400 034.

BHUTA ... & CO. LLP MUMBAI ... W100... CHARTERED ACCOUNTANTS

(ii) *Impairment of financial assets*

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(iii) *Deemed cost for property, plant and equipment, investment property and intangible assets*

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as of 01st April, 2018 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(iv) *Estimates*

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 01st April 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP except for the Impairment of financial assets based on expected credit loss model where application of the Indian GAAP did not require estimation.

2.17 Nature and extent of risks arising from financial instruments

The main financial risks faced by the Company relate to fluctuations in interest and foreign exchange rates, the risk of default by counterparties to financial transactions, and the availability of funds to meet business needs. The Balance Sheet as at 31 March, 2020 is representative of the position of the year.

Credit Risk

Credit risk arises from Cash and Cash equivalents, financial instruments and deposits with banks and financial institutions. Credit risk also arises from trade receivables and other financial assets. The Company is not significantly exposed to geographical distribution risk as the counterparties operate across various countries across the Globe.

Liquidity Risk

Liquidity risk is managed using short term and long term Cash Flow forecasts.

Risk Management is carried out by the Management Committee as per the Risk Management Policy adopted by the Company.

Arjun Food Colorants Manufacturing Private Limited

Cash Flow Statement for the Year ended 31st March 2020

Particulars	31-Mar-20	31-Mar-19
	Standalone (Audited)	Standalone (Audited)
Cash flow from Operating activities		
Profit before Income tax	(383,735)	(26,695)
Adjustments for :		
Depreciation	243,488	243,487
Finance Cost	-	-
	243,488	243,487
Operating profit before Working Capital changes	**(140,247)**	**216,792**
(Increase)/Decrease in Financial Assets - Loans	(8,070)	(1,035,563)
Increase/ (Decrease) in Current Tax Assets	-	(2,237)
Increase/ (Decrease) in Trade payables	503,210	(22,500)
Increase/(Decrease) in Other current liabilities	(516,465)	(2,953,848)
Net changes in Working Capital	**(21,325)**	**(4,014,148)**
Cash generated from Operations	(161,572)	(3,797,356)
Direct taxes paid	-	
Net cash Inflow/(Outflow) from operating activities [A]	**(161,572)**	**(3,797,356)**
Cash flow from Investing activities		
Purchase of Fixed Assets	-	(187,500)
Interest received	-	-
Investment	-	-
Net cash Inflow /(Outflow) from Investing activities [B]	**-**	**(187,500)**
Cash flow from Financing activities		
Dividend paid	-	-
Finance Cost	-	-
Issue of share capital	52,400,000	-
Proceeds/ (Repayment) of Long Term Borrowings	(52,044,981)	3,970,000
Proceeds/ (Repayment) of Short Term Borrowings	-	-
Net cash Inflow/(Outflow) from Financing activities [C]	**355,019**	**3,970,000**
Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	193,447	(14,856)
Cash and cash equivalents at the beginning of the year	104,701	119,558
Cash and cash equivalents at the end of the year	298,149	104,701

ARJUN FOOD COLORANTS MFG. PVT. LTD. MUMBAI 400 034

BHUTA SHAH & CO LLP MUMBAI FRN - 101474W/W100100 CHARTERED ACCOUNTANTS

Arjun Food Colorants Manufacturing Private Limited

Notes forming part of the financial statements as at 31st March, 2020

(Currency : Indian Rupees)

Note No.	Particulars	2020	2019
3	**Property, plant and equipment**		
3.1	**Gross Block**		
	At 1 April 2019	13,635,286	13,878,773
	Additions	-	-
	Deductions / adjustments	-	-
	At 31 March 2020	**13,635,286**	**13,878,773**
	Gross Block		
	At 1 April 2019	13,635,286	13,878,773
	Additions		-
	Deductions / adjustments		-
	Transferred from CWIP		-
	Less: Amortisation of Lease payment	(243,488)	(243,487)
	At 31 March 2020	**13,391,798**	**13,635,286**
3.2	**Capital work-in-progress**		
	At 1st April 2019	37,567,229	37,379,729
	Additions	-	187,500
	Transfrred to Fixed Asset	-	-
	At 31st March 2020	**37,567,229**	**37,567,229**
4	**Cash and cash equivalents**		
	Balance with Scheduled Banks :		
	- in current accounts	298,149	104,701
	State Bank of India		5,524
	Vijaya Bank		99,177
	- Bank Deposits		-
	Cash in hand		-
		298,149	**104,701**
5	**Other Current Assets**		
	Short Term Loans & Advances		
	Unsecured, considered good		
	Advance to suppliers - for Goods	1,020,026	1,020,026
	Balance with Government authorities	253,050	244,980
		1,273,076	**1,265,006**

* In the opinion of the directors, loans and advances have the value at which they are stated in the balance sheet, if realised in the ordinary course of business. Advances are subject to confirmation. Periodically, the company evaluates all customer dues to the company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, general economic factors, which could affect the parties' ability to settle.

ARJUN FOOD COLORANTS MFG. PVT. LTD. MUMBAI 400 034.

MUMBAI FRN CHARTERED ACCOUNTANTS

Arjun Food Colorants Manufacturing Private Limited

Notes forming part of the financial statements as at 31st March, 2020

(Currency : Indian Rupees)

Note No.	Particulars	2020	2019
6	**Equity share capital**		
	Authorised Share Capital:		
	2,50,000 (31 March 2019 : 2,50,000) Equity Shares of ₹ 10 each	**2,500,000**	**2,500,000**
	Issued , Subscribed and Fully Paid up:		
	50,000 (31 March 2019 : 50,000) fully paid-up Equity Shares of ₹ 10 each, fully p	500,000	500,000
	Add: Right Shares Issued during the year	327,500	-
		827,500	**500,000**

Rights of Equity Shareholders

The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share.

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

The Shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

The reconciliation of the number of shares outstanding is set out below:

Particulars	31-Mar-20	43,555
Shares outstanding at the beginning of the year	50,000	50,000
Shares issued during the year	32,750	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	**82,750**	**50,000**

Details of share issued during the year

32,750 Equity Shares were issued to Vidhi Speciality Food Ingredients Limited in form of right issue at Face value of Rs. 10 per share and at premium of Rs. 1,590 per share

Details of shareholders holding more than 5% shares in the company

Name of Shareholder	31-Mar-20		31-Mar-19	
	No. of Shares	% of Holding	No. of Shares	
Pravina B.Manek	-	0.00%	23,500	47.00%
Bipin Manek	-	0.00%	14,100	28.20%
Mihir B. Manek	-	0.00%	6,200	12.40%
Mitesh manek	-	0.00%	6,200	12.40%
Vidhi Speciality Food Ingredients Limited	82,750	100.00%	-	0.00%
	82,750	**100.00%**	**50,000**	**100.00%**

ARJUN FOOD COLORANTS MFG. PVT. LTD. MUMBAI 400 034.

MUMBAI FRN - 101474W W100166 CHARTERED ACCOUNTANTS

Arjun Food Colorants Manufacturing Private Limited

Notes forming part of the financial statements as at 31st March, 2020

(Currency : Indian Rupees)

Note No.	Particulars	2020	2019
7	**Other equity**		
	Securities Premium Account		
	Balance at the beginning of the year		
	Add: Premium received on issue of shares during the year	52,072,500	-
	Less: Utilised during the year	-	-
	Balance at the end of the year	**52,072,500**	-
	Surplus from Statement of Profit and Loss		
	Balance at the beginning of the year	(776,805)	(750,110)
	Add: Profit/(Loss) for the year	(383,735)	(26,695)
	Net retained earnings	**(1,160,540)**	**(776,805)**
	Total other equity	**50,911,960**	**(776,805)**
8	**Borrowings**		
	Unsecured		
	Interest free Loans and advances		
	- from related parties	210,311	52,255,292
	- from others	-	-
		210,311	**52,255,292**
9	**Trade payables**		
9.1	i) Trade payables - MSME	-	-
9.2	ii) Trade payables - other than MSME	556,310	53,100
		556,310	**53,100**
10	**Other financial liabilities**		
	Statutory dues		
	TDS Payable	-	-
	Amount due towards Capital Goods	-	471,240
	Expenses Payable	26,407	71,632
		26,407	**542,872**
11	**Other Income**		
	Sundry Balance Written Back	-	500,856
		-	**500,856**
12	**Other Expenses**		
	Audit Fees	25,000	22,500
	Legal/Prof/Consultancy Charges	(32,500)	19,500
	MSEDCL (Power Charges)	-	7,570
	Water Charges	104,003	83,890
	Miscellaneous Expenses	43,744	604
	MPCB Consent fees	-	150,000
	Amortisation of Leasehold Land	243,488	243,487
		383,735	**527,551**

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ARJUN FOOD COLORANTS MFG. PVT. LTD. MUMBAI 400 034.

Statement of changes in equity for the year ended 31st March, 2020

A. Share Capital

Particulars	Amount
AS at 31st March, 2019	**500,000**
Changes in Equity share capital	327,500
AS at 31st March, 2020	**827,500**

B. Other Equity

Particulars	Reserves and Surplus		Total Other Equity
	Securities Premium	Retained Earnings	
Balance at 01-Apr-2018	-	(750,110)	**(750,110)**
Securities Premium on Shares issued during the year	-	-	-
Loss for the year	-	(26,695)	**(26,695)**
Total Comprehensive Income for the year	-	-	-
Balance at 31-Mar-2019	-	**(776,805)**	**(776,805)**
Balance at 01-Apr-2019	-	(776,805)	**(776,805)**
Securities Premium on Shares issued during the year	52,072,500	-	**52,072,500**
Loss for the year	-	(383,735)	**(383,735)**
Total Comprehensive Income for the year	-	-	-
Balance at 31-Mar-2020	**52,072,500**	**(1,160,540)**	**50,911,960**

Notes forming part of the financial statements as at 31st March 2020 *(continued)*

(Currency : Indian Rupees)

13 Fixed Assets

No write off has been made in respect of lease premium paid on lease hold land since the leases are granted for a long period.
The factory building is not yet constructed and all the expenses pertaining to it is capitalised.

	2020	2019
14 Expenditure in Foreign Currency	**Nil**	**Nil**
Income in Foreign Currency	**Nil**	**Nil**

15 Related Party Disclosures:

Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below:

Key management personnel, relatives and related parties:

Key management personnel :

1. Bipin M. Manek – Director
2. Mihir B. Manek –Director
3. Mitesh Manek – Director
4. Pravina Manek - Spouse of Director
5. Kripa Manek - Spouse of Director
6. Vidhi Manek - Daughter of Director
6. Vidhi Speciality Food Ingridents Ltd - Holding Company

Enterprises over which key management personnel have significant influence:

1. Vidhi Specialty Food Ingredients Limited

	2020			2019		
Nature of transactions	**Key management personnel**	**Relatives and Related parties of Key Management Personnel**	**Enterprises over which key management personnel have significant influence**	**Key management personnel**	**Relatives and Related parties of Key Management Personnel**	**Enterprises over which key management personnel have significant influence**
Transactions during the year						
Loan taken during the year						
Bipin M. Manek	-	-	-	3,870,000		
Pravina Manek	-		-	-		
Mihir B Manek	2,200	-	-	100,000		
Vidhi Speciality Food Ingridents Ltd	-		1,502,385			
	2,200	**-**	**1,502,385**	**3,970,000**	**-**	**-**
Loan repaid during the year						
Bipin M. Manek	43,116,000	-	-	-	-	-
Mihir Manek	-	-	-	-	-	-
Kripa Manek		19,000				
Mitesh Manek	99,704					
Pravina B Manek	-	8,795,862				
Vidhi Manek		19,000				
Vidhi Speciality Food Ingridents Ltd	-	-	1,500,000			
	43,215,704	**8,833,862**	**1,500,000**	**-**	**-**	**-**
Long Term Borrowings						
Bipin M. Manek	-	-	-	43,116,000	-	-
Mihir B Manek	207,926	-	-	205,726	-	-
Pravina B Manek	-	-	-	-	8,795,862	-
Mitesh Manek		-	-	99,704	-	-
Kripa Manek			-		19,000	-
Vidhi Manek			-		19,000	-
Vidhi Speciality Food Ingridents Ltd			2,385			
	207,926	**-**	**2,385**	**43,421,430**	**8,833,862**	**-**
Outstanding Receivables						
Vidhi Dyestuffs Manufacturing Limited	-	-		-	-	
	-	-	-	-	-	-

16	**Contingent Liabilities**	Nil	Nil
17	**Pending Capital commitments**	Nil	Nil
18	**Earning Per Share** Net Profit after tax attributable to Shareholders	(383,735)	(26,695)
	Total Weighted Average No. of Equity Shares for Basic and Diluted EPS	82,750	50,000
	Earnings Per Share (Basic and Diluted)	(4.64)	(0.53)
	Nominal value per Equity Share	10	10

19 **Deferred Tax**
There are no items falling under timming difference and therefore deferred tax is not applicable to the Company.

20 **Prior Year Comparatives**
Previous year figures are reclassified / regrouped / recast wherever considered necessary to confirm to current year's classification.

21 The Company is fully acquired by Vidhi Specialty Food Ingredients Limited as on 22 April 2019. In view of it, this Company now became Wholly Owned Subsidiary Company of Vidhi Specialty Food Ingredients Limited.

22 **First Ind AS Financial statements**

Mandatory exceptions, optional exemptions
These are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31st March, 2020, the Comapny had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2014, notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act ('IGAAP'). The accounting policies set out in Note 2 have been applied in preparing these Financial Statements for the year ended 31st March, 2020 and the opening Ind AS Balance Sheet on the date of transition (i.e. 1st April, 2019). In preparing its Ind AS Balance Sheet as at 1st April, 2019 and in presenting the comparative information for the year ended 31st March, 2020, the Company has adjusted amounts previously reported in the Financial Statements prepared in accordance with IGAAP. This note explains the principal adjustments made by the Comapany in restating its Financial Statements prepared in accordance with IGAAP, and how the transition from IGAAP to Ind AS has impacted the Company financial position, financial performance and cash flows.

Exemptions and exceptions availed
In preparing the Financial Statement, the Company has availed the below mentioned optional exemptions and mandatory exceptions.

Classification and measurement of financial assets
As permitted under Ind AS 101, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Property, plant and equipment and intangible assets
The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangible assets as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition (1 April, 2019).

First IND AS financial statement reconciliations
There is no transitional provision impact on financial statements as at date of transition i.e. 1 April, 2019. Hence, reconciliation on first Ind AS financial statements is "NIL"

For Bhuta Shah & Co LLP
Chartered Accountants
Firm's Registration no: 101474W / W100100
T. C. Laliwala

Tejas Laliwala
Partner
Membership No: 127487

Place: Mumbai
Date: 23rd June, 2020

BHUTA SHAH & CO LLP * MUMBAI FRN – 101474W/W100100 * CHARTERED ACCOUNTANTS

FOOD COLORANTS MFG. PVT. LTD. MUMBAI 400 034.

For and on behalf of the Board of Directors

Bipin M. Manek
Director
DIN: 00416441

Mihir B. Manek
Director
DIN: 00650613

Note 25: Fair values Measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	As at 31 March 2020							
	Fair value				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Non Current Financial assets								
Investments	-	-		-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Current Financial assets								
Investments			-	-				
Trade receivables	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	298,149	298,149	-	-	298,149	298,149
Bank balances other than cash and cash equivalents	-	-	-	-	-	-	-	-
Current Tax	-	-	2,237	2,237	-	-	2,237	2,237
Other current financial assets	-	-	1,273,076	1,273,076	-	-	1,273,076	1,273,076
- Rent deposits		-	-	-	-	-	-	-
	-	-	**1,573,462**	**1,573,462**	-	-	**1,573,462**	**1,573,462**
Non Current Financial liabilities								
Borrowings	-	-	210,311	210,311	-	-	210,311	210,311
							-	-
Current Financial liabilities							-	-
Lease Liability			-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Trade payables - MSME	-	-	27,170	27,170	-	-	27,170	27,170
Trade payables - other than MSME	-	-	529,140	529,140	-	-	529,140	529,140
Other current financial liabilities	-	-	26,407	26,407	-	-	26,407	26,407
	-	-	**793,028**	**793,028**	-	-	**793,028**	**793,028**

Particulars	As at 31 March 2019							
	Fair value				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Non Current Financial assets								
Investments	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Current Financial assets								
Investments	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	104,701	104,701	-	-	104,701	104,701
Bank balances other than cash		-	-	-			-	-

and cash equivalents			-					
Current Tax	-	-	2,237	2,237	-	-	2,237	2,237
Other current financial assets	-	-	1,265,006	1,265,006	-	-	1,265,006	1,265,006
- Rent deposits	-	-	-	-	-	-	-	-
	-	**-**	**1,371,944**	**1,371,944**	**-**	**-**	**1,371,944**	**1,371,944**
Non Current Financial liabilities								
Borrowings	-	-	52,255,292	52,255,292	-	-	52,255,292	52,255,292
Current Financial liabilities								
Borrowings	-	-	-	-	-	-	-	-
Trade payables - MSME			19,500	19,500	-	-	19,500	19,500
Trade payables - other than MSME	-	-	33,600	33,600	-	-	33,600	33,600
Other current financial liabilities	-	-	542,872	542,872	-	-	542,872	542,872
	-	**-**	**52,851,264**	**52,851,264**	**-**	**-**	**52,851,264**	**52,851,264**

B. Fair value heirarchy

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 heirarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as listtle as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level. This is the case for unlisted equity securities included in level 3.

Note 26: Financial Risk Management

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in securities.

a. Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The Company uses an allowance matrix to measure the expected credt losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

Ageing	Gross Carrying Amount	Expected Credit Loss Rate	Credit Loss	Net Carrying Amount
0-180 days past due	-			-
180-365 days past due	-			-
More than 365 days past due	-			-
	-	-	-	-

Note - Expected credit loss is worked out on the trade receivable for which no specific provision is made.

b. Cash and cash equivalents and Other bank balances

The Company held cash and cash equivalents and other bank balances of Rs 2,98,149 at March 31, 2020 (March 31, 2019: Rs 1,04,701) The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

c. Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country

The carrying amounts of financial assets represent the maximum credit risk exposure.

Exposure to Credit Risk	31-Mar-20	31-Mar-19
Financial risk for which loss allowance is measured using 12 months expected Credit Losses (ECL)		
Loans	-	-
Cash & cash equivalent	298,149	104,701
Trade receivables	-	-
Financial risk for which loss allowance is measured using Lifetime expected Credit Losses (ECL)		
Trade receivables	-	-

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

Note 26: Financial Risk Management

C. Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undisounted payments

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
As on 31.03.2019				
Current borrowings	-	-	-	-
Trade payables	53,100	-	-	53,100
Other financial liabilities	542,872	-	-	542,872
Term loans- from banks	-	-	-	-
As on 31.03.2020				
Current borrowings	-	-	-	-
Trade payables	556,310	-	-	556,310
Other financial liabilities	26,407	-	-	26,407
Term loans- from banks	-	-	-	-

Maturity profile of financial assets

The table below provide details regarding the contractual maturities of financial assets at the reporting date

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
As on 31.03.2019				
Trade receivables	-	-	-	-
Current loans	-	-	-	-
Other current financial assets	1,265,006	-	-	1,265,006
As on 31.03.2020				-
Trade receivables	-	-	-	-
Current loans	-	-	-	-
Other current financial assets	1,273,076	-	-	1,273,076