



ANIL A. DIKSHIT & CO.

Chartered Accountants

15-A/11, Brindaban, Thane - 400 601

Tel. : +91-98201 31902

anil_dikshit@hotmail.com

Limited Review Report

To,

The Board of Directors
GI Biotech Private Limited

Introduction

We have reviewed the accompanying Balance Sheet of GI Biotech Private Limited ('the Company') as at 31st March 2021, and the related statement of profit and loss as also the cash flow statement for the quarter ended 31st March 2021. The Management is responsible for the preparation and presentation of this interim financial information in accordance with the applicable Indian Accounting Standards. Our responsibility is to issue a report on these financial statements based on our review.

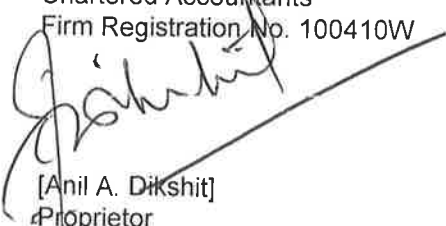
Scope of review

We conducted our review for the quarter ended 31st March 2021, in accordance with Standards on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information for the quarter ended 31st March 2021, is not prepared, in all material respects, in accordance with applicable Indian accounting standards and recognised accounting practices and policies in India.

For **Anil A. Dikshit & Co**
Chartered Accountants
Firm Registration No. 100410W


[Anil A. Dikshit]
Proprietor
Membership No.: 036706

Thane, dated May 25, 2021

UDIN: 21036706AAAACO8287





ANIL A. DIKSHIT & CO.

Chartered Accountants

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Tel. : +91-98201 31902

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**Independent Auditor's Report
To the Members of G I Biotech Private Limited**

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying Ind AS financial statements of G I Biotech Private Limited (the company), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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 Rule 7 of the Companies (Accounting) Rules, 2014 and the Companies (Indian Accounting Standards) Rule, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal 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.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India under, as specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the



reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Ind AS financial statements.

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

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31 March 2021;
 - (b) In the case of the Statement of Profit and Loss, of the loss including other comprehensive income for the year ended on that date, and
 - (c) in the case of the Cash Flow Statement, of the cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the Order), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - (i) The company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its Ind AS financial statements;



- (ii) The company has made provision as at March 31, 2021, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company during the year ended March 31, 2021.

For Anil A. Dikshit & Co.

Firm registration number: 100410W

Chartered Accountants



Anil A. Dikshit

Proprietor

Membership No.: 036706

Place: Thane

Date: May 25, 2021

UDIN: 21036706AAAACM5548



Annexure – A referred to in paragraph 9 our report of even date to the members of G I Biotech Private Limited on the accounts of the company for the year ended March 31, 2021.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- (c) As explained to us, and as per information provided to us, the title deeds of immovable property are held in the name of the company;
- ii. The nature of business of the Company does not require it to have any inventory. Hence, the provisions of Clause 3(ii) of the Order are not applicable to the Company;
- iii. The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the company ;
- iv. In our opinion, and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of sections 185 and 186 of the Act are applicable and hence not commented upon;
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Act and rules framed there under to the extent notified;
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act;
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes;
- viii. According to the records of the company examined by us and as per the information and explanations given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the company;
- ix. The company has not raised any moneys by way of public offer and term loans during the year under review. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the company;
- x. During the course of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, and according to the information and explanations given to us, we have neither come across any instance of any fraud on the Company by its officers or employees, noticed or reported during the course of our audit, nor have we been informed of any such instance by the Management;



- xi. The company has not paid any managerial remuneration during the year. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the company;
- xii. As the company is not a Nidhi company and the Nidhi Rules 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the company;
- xiii. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards;
- xiv. The company has not made any preferential allotment or private placement of shares or partly or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the company;
- xv. The company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the company;
- xvi. The company, as explained to us, is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the company

For Anil A. Dikshit & Co.

Firm registration number: 100410W

Chartered Accountants



Anil A. Dikshit
Proprietor

Membership no.: 036706

Place: Thane

Date: May 25, 2021



Annexure - B to the Auditors' Report

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

1. We have audited the internal financial controls over financial reporting of G I Biotech Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of 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

3. 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.
4. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. 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 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

7. 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

8. 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, 2021, 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 Anil A. Dikshit & Co.

Firm registration number: 100410W

Chartered Accountants

Anil A. Dikshit

Proprietor

Membership no.: 036706

Place: Thane

Date: May 25, 2021



G I BIOTECH PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

		March 31, 2021	March 31, 2020
	Notes	₹.	₹.
ASSETS			
NON-CURRENT ASSETS			
a) Property, Plant and Equipment	3	147,076.00	209,730.00
c) Non-current tax assets (net)	4	155,731.00	155,731.00
		<u>302,807.00</u>	<u>365,461.00</u>
CURRENT ASSETS			
a) Financial Assets			
i) Cash and Cash Equivalents	5	16,667.29	14,205.39
b) Other current assets	6	10,000.00	10,000.00
		<u>26,667.29</u>	<u>24,205.39</u>
TOTAL		<u>329,474.29</u>	<u>389,666.39</u>
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	7	100,000.00	100,000.00
b) Other equity	8	207,063.29	239,723.39
		<u>307,063.29</u>	<u>339,723.39</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
a) Deferred tax liability (net)	9	12,411.00	24,043.00
		<u>12,411.00</u>	<u>24,043.00</u>
CURRENT LIABILITIES			
a) Financial Liabilities			
ii) Trade payables			
A) Total outstanding dues of micro and small enterprises		-	-
B) Total outstanding dues of creditors other than micro and small enterprises		10,000.00	25,900.00
b) Other current liabilities		-	-
		<u>10,000.00</u>	<u>25,900.00</u>
TOTAL		<u>329,474.29</u>	<u>389,666.39</u>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
For Anil A. Dikshit & Co.
Firm Registration No. 100410W
Chartered Accountants

Anil A. Dikshit
Proprietor
Membership No.: 036706

Thane
Date: May 25, 2021



For and on behalf of the Board of Directors
of GI Biotech Private Limited

Krail
Krishna Datla
Director

Satish Varma
Director

Thane
Date: May 25, 2021

2

G I BIOTECH PRIVATE LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

		March 31, 2021 ₹.	March 31, 2020 ₹.
	Notes		
Income:			
Revenue from operations		-	-
Other income	10	39,579.82	-
Total revenue (I)		<u>39,579.82</u>	<u>-</u>
Expenses:			
Depreciation and amortization expense	11	62,654.00	62,654.00
Other expenses	12	21,217.92	47,905.30
Total (II)		<u>83,871.92</u>	<u>110,559.30</u>
Profit/(Loss) before tax		<u>(44,292.10)</u>	<u>(110,559.30)</u>
Tax expense:			
Current tax		-	-
Deferred tax	19	(11,632.00)	(10,775.00)
Total tax expense		<u>(11,632.00)</u>	<u>(10,775.00)</u>
Profit/(Loss) for the year		<u>(32,660.10)</u>	<u>(99,784.30)</u>
Earning per share (equity shares, par value Rs 10 each)	13		
Computed on the basis of total profit for the year			
Basic / Diluted (₹.)		(3.27)	(9.98)

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For Anil A. Dikshit & Co.

Firm Registration No. 100410W

Chartered Accountants



Anil A. Dikshit
Proprietor

Membership No.: 036706

Thane

Date: May 25, 2021

For and on behalf of the Board of Directors
of GI Biotech Private Limited


Krishna Datla
Director



Satish Varma
Director

Thane

Date: May 25, 2021



G I BIOTECH PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED MARCH 31, 2021

		March 31, 2021 ₹.	March 31, 2021 ₹.	December 31, 2020 ₹.
	Notes			
Income:				
Revenue from operations		-	-	-
Other income	10	39,579.82	-	39,579.82
Total revenue (I)		<u>39,579.82</u>	<u>-</u>	<u>39,579.82</u>
Expenses:				
Depreciation and amortization expense	11	62,654.00	15,663.00	46,991.00
Other expenses	12	21,217.92	2,677.00	18,540.92
Total (II)		<u>83,871.92</u>	<u>18,340.00</u>	<u>65,531.92</u>
Profit/(Loss) before tax		<u>(44,292.10)</u>	<u>(18,340.00)</u>	<u>(25,952.10)</u>
Tax expense:				
Current tax		-	-	-
Deferred tax	19	(11,632.00)	(2,908.00)	(8,724.00)
Total tax expense		<u>(11,632.00)</u>	<u>(2,908.00)</u>	<u>(8,724.00)</u>
Profit/(Loss) for the year		<u>(32,660.10)</u>	<u>(15,432.00)</u>	<u>(17,228.10)</u>
Earning per share (equity shares, par value Rs 10 each)	13			
Computed on the basis of total profit for the year				
Basic / Diluted (₹.)		(3.27)	(1.54)	(1.72)

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For Anil A. Dikshit & Co.

Firm Registration No. 100410W

Chartered Accountants


Anil A. Dikshit
Proprietor
Membership No.: 036706



Thane

Date: May 25, 2021

For and on behalf of the Board of Directors
of GI Biotech Private Limited


Krishna Datla
Director

Thane

Date: May 25, 2021




Satish Varma
Director

G I BIOTECH PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	March 31, 2021 ₹.	March 31, 2020 ₹.
A. Cash flow from operating activities		
Profit before tax	(44,292.10)	(110,559.30)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	62,654.00	62,654.00
Operating profit before working capital changes	18,361.90	(47,905.30)
Movements in working capital :		
Decrease/(increase) in other assets	-	(91,572.00)
Increase/(decrease) in trade payables	(15,900.00)	9,500.00
Cash generation used in operations	2,461.90	(129,977.30)
Direct taxes paid (net of refunds)	-	-
Net cash flow used in operating activities	(A) 2,461.90	(129,977.30)
B. Cash flow from investing activities		
Net cash flow from/(used in) investing activities	(B) -	-
C. Cash flow from financing activities		
Net cash flow from/ (used in) in financing activities	(C) -	-
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 2,461.90	(129,977.30)
Cash and cash equivalents at the beginning of the year	14,205.39	144,182.69
Cash and cash equivalents at the end of the year	16,667.29	14,205.39
Components of cash and cash equivalents		
With scheduled banks on:		
Current account	16,667.29	14,205.39
Total cash and cash equivalents (Refer Note 5)	16,667.29	14,205.39

Note

- 1) Cash flow statement has been prepared under indirect method as set out in the Accounting Standard (AS-3) "Cash Flow Statements" as specified by Companies (Accounts) Rules, 2014.
- 2) Previous year's figures have been regrouped/rearranged wherever necessary.

Summary of significant accounting policies (Refer Note 2.1)

As per our report of even date attached
For Anil A. Dikshit & Co.
Firm Registration No. 100410W
Chartered Accountants

Anil A. Dikshit
Proprietor
Membership No.: 036706



Thane
Date: May 25, 2021

For and on behalf of the Board of Directors
of GI Biotech Private Limited

Krishna Datla
Director

Satish Varma
Director

Thane
Date: May 25, 2021

G I BIOTECH PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(a) Equity share capital:

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning and end of the year	100,000.00	100,000.00

(b) Other equity

	Reserves and surplus
	Retained earnings
Balance as at April 01, 2019	339,507.69
Profit for the year	(99,784.30)
Balance as at March 31, 2020	239,723.39
Loss for the year	(32,660.10)
Balance as at March 31, 2021	207,063.29
* Represents remeasurement of defined benefit plan	

(c) Total equity

	As at March 31, 2021	As at March 31, 2020
Total equity [(a)+(b)]	307,063.29	339,723.39

See accompanying notes to the standalone financial statements

As per our report of even date attached

For Anil A. Dikshit & Co.

Firm Registration No. 100410W

Chartered Accountants

Anil A. Dikshit

Proprietor

Membership No.: 036706



Thane

Date: May 25, 2021

For and on behalf of the Board of Directors
of GI Biotech Private Limited

Krishna Datla

Director

Satish Varma

Director

Thane

Date: May 25, 2021

2

G I BIOTECH PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. Corporate information

GI Biotech Private Limited ('the Company') is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of manufacturing and marketing of throat lozenges.

2. Significant accounting policies

(a) Basis of preparation

These standalone financial statements of the Company have been in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2021.

The financial statements are presented in INR.

2.2 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it 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.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Operating cycle for the business activities of the Company covers the duration of the specific project/contract/product line/service including the defect liability period wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

The Company has identified twelve months as its operating cycle.

(b) Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount, the exchange rate between the functional currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange difference

All exchange differences are recognized as income or as expenses in the period in which they arise

G I BIOTECH PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(c) Fair Value Measurement

The Company measures financial instruments, (Refer Note 16) 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.

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.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. 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. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. Based on the Educational Material on Ind AS 18 issued by The Institute of Chartered Accountants of India (ICAI), the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) / service tax is not received by the Company on its own account. Rather, it is tax collected on service provided or value added to the commodity by the seller or service provider on behalf of the government. Accordingly, it is excluded from revenue.

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates and other similar allowances

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

ii) Other income

Interest on income tax refund is recognized on receipt of the refund order.

(e) Property, Plant and Equipment (PPE)

PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. 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. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of such PPE (calculated as the difference between the net disposal proceeds and the carrying amount) is included in the statement of profit and loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets (other than freehold land) as follows:

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	Estimated useful lives (in years)
Plant & Machinery	15

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per I-GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2016.

g) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Company has an intangible asset in the form of Computer Software. Its useful life is assessed as finite and consequently it is amortised over its useful life of 6 years on a straight line basis.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Changes in the expected useful life or the expected pattern of consumption 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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(h) Impairment of fixed 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, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (a Company of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable Company of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Companies of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories -

- 1 Debt instruments at amortised cost
- 2 Debt instruments at fair value through other comprehensive income (FVTOCI)
- 3 Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- 4 Equity instruments measured at fair value through other comprehensive income (FVTOCI)

The Company does not have any financial assets falling under the above category.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments held for trading classified as at FVTPL and are measured at fair value with all changes recognised in the statement of profit or loss. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- 1) The rights to receive cash flows from the asset have expired, or
- 2) The Company has transferred its rights 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 a 'pass through' arrangement; and either
 - (a) The Company has transferred substantially all the risks and rewards of the asset, or
 - (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.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss.

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.

Financial liabilities

Initial recognition and measurement

The Company recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through statement of profit or loss, are subtracted from the fair value on initial recognition.

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Derecognition

A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

(k) Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contracts are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through the statement of profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separate from the host contract if they are closely related. Such embedded derivatives are closely related to host contract, if the host contract is not leveraged, does not contain any option feature and require payments in one of the following currencies:

- the functional currency of any substantial party to the contract
- the currency in which the price of the related goods or service that is acquired or delivered is routinely denominated in commercial transactions around the world
- the currency in that is commonly used in contracts in purchase or sell non- financial items in the economic environment in which the transaction takes place [i.e. relatively liquid and stable currency]

Foreign currency Embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through the statement of profit and loss. The Company currently does not have any such derivatives which are not closely related.

(l) 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.

(m) Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

i) Finance leases:

- A) Leases where the Company has substantially all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance leases are capitalised at the commencement of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- B) Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

ii) Operating leases:

An operating lease is a lease other than a finance lease.

- A) Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.
- B) Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(n) Taxes on income

Income tax expense for the current year comprises of current tax and deferred tax.

Current tax for the period is determined on the basis of taxable income and tax credits computed using applicable tax rates at the Balance sheet date, and based on the expected outcome of assessments/appeals.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences including the temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses under the head "capital gains", are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities. Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(o) Provisions

A provision is recognized 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, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(p) Contingent liabilities

Contingent assets are not recognized in the financial statements of the Company. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare case where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(q) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. The Company does not have any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are the same.

(r) Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(s) Inventories

Inventories are stated at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost is determined as follows:

(a) Stores and spare parts: - First-in-first-out method. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

b) Raw materials and packing materials: - Cost is determined on a weighted average basis.

c) Intermediate raw materials, work-in-process and finished goods:- Cost includes direct materials determined on the basis of weighted average method and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

d) Inventory of under production film is valued at actual cost incurred. The cost of production is charged to revenue at the time of first release of film.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(u) Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(v) Cash Dividends to equity holders in the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(w) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Amounts in the financial statements are presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

G I BIOTECH PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Note 3. - Property, Plant and Equipment

	₹.
	Plant and equipment
Net Block	
At April 1, 2020	209,730.00
Additions	-
Disposal	-
At March 31, 2021	<u>209,730.00</u>
Depreciation	
Charge for the period	62,654.00
Disposal	-
At March 31, 2021	<u>62,654.00</u>
Net Block	
At March 31, 2020	<u>209,730.00</u>
At March 31, 2021	<u>147,076.00</u>

March 31, 2021	March 31, 2020
₹	₹

Note 4- Non-current tax assets (net)

MAT credit entitlement	64,159.00	64,159.00
Advance income-tax (net of provision for taxation)	91,572.00	91,572.00
	<u>155,731.00</u>	<u>155,731.00</u>

March 31, 2021	March 31, 2020
₹	₹

Note 5 Cash and Cash Equivalents

Balances with banks:		
With scheduled banks on:		
Current account	16,667.29	14,205.39
	<u>16,667.29</u>	<u>14,205.39</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	₹	₹
Note 6 - Other current assets		
Security Deposits	10,000.00	10,000.00
	<u>10,000.00</u>	<u>10,000.00</u>

	March 31, 2021	March 31, 2020
	₹	₹
Note 7 - Equity Share capital:		
Authorised Shares:		
50000 (March 31, 2020 - 50000) Equity Shares of ₹.10/- each	500,000.00	500,000.00
	<u>500,000.00</u>	<u>500,000.00</u>
Issued, Subscribed and fully paid up shares:		
10000 (March 31, 2020 - 10000) Equity Shares of ₹.10 each fully paid-up	100,000.00	100,000.00
	<u>100,000.00</u>	<u>100,000.00</u>

a) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	March 31, 2021	March 31, 2020
Equity shares of ₹. 10/- each fully paid,	No of Shares	% holding in the class
		% holding in the class
Fermenta Biotech Limited	6,250	62.50%
Ronator Investments Limited	3,750	37.50%

b) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding Company are as below.

	March 31, 2021	March 31, 2020
	₹	₹
Fermenta Biotech Limited		
6,250 (March 31, 2020 - 6,250) Equity shares of ₹. 10/- each	62,500.00	62,500.00
Ronator Investments Limited		
3,750 (March 31, 2020 - 3,750) Equity shares of ₹. 10/- each	37,500.00	37,500.00

Statement of Changes in Equity for the period ended 31 March, 2021

Note 8 - Other equity

(a) Equity shares of Rs. 10 each issued, subscribed and fully paid

	No of Shares	₹
a) Balance at the beginning of the reporting period - 1 April 2020	10,000	100,000.00
b) Changes in equity share capital during the period	-	-
c) Balance at the end of the reporting period - 31 March 2021	10,000	100,000.00

(b) Other equity

	Reserves and surplus Retained Earnings
Balance at the beginning of the reporting period - 01 April 2019	339,507.69
Profit for the year	(99,784.30)
Balance at the end of the reporting period 31 March 2020	<u>239,723.39</u>
Balance at the beginning of the reporting period - 01 April 2020	239,723.39
Profit for the year ended 31 March 2021	(32,660.10)
	<u>207,063.29</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	₹	₹
Note 9 - Deferred tax liability (net): *		
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	12,411.00	24,043.00
Gross deferred tax liability	<u>12,411.00</u>	<u>24,043.00</u>
Deferred tax asset		
Gross deferred tax asset	<u>-</u>	<u>-</u>
Net deferred tax liability	<u>12,411.00</u>	<u>24,043.00</u>
* In absence of virtual certainty the Company has not recognized deferred tax assets (DTA)/deferred tax liability (DTL) on timing differences arising from disallowance of accumulated depreciation and other items.		
	March 31, 2021	March 31, 2020
	₹	₹
Note 10 - Other income:		
Miscellaneous Income	39,579.82	-
	<u>39,579.82</u>	<u>-</u>
	March 31, 2021	March 31, 2020
	₹	₹
Note 11 - Depreciation and amortization expense		
Depreciation of Property, Plant and Equipment	62,654.00	62,654.00
Amortization of intangible assets	<u>-</u>	<u>-</u>
	<u>62,654.00</u>	<u>62,654.00</u>
	March 31, 2021	March 31, 2020
	₹	₹
Note 12 - Other expenses:		
Rates and taxes	410.00	4,600.00
Legal and professional charges	3,770.00	13,570.00
Payment to auditors (Audit fees)	10,000.00	10,000.00
Filing Fees	423.60	1,600.00
Interest on other	-	10,128.00
Miscellaneous expenses	6,614.32	8,007.30
	<u>21,217.92</u>	<u>47,905.30</u>
	March 31, 2021	March 31, 2020
	₹	₹
Note 13 - Earnings per share (EPS):		
The following table sets forth the computation of basic and diluted earnings per share :		
Basic/Diluted		
Net profit for the year attributable to equity shareholders	(32,660.10)	(99,784.30)
Weighted average number of equity shares of Rs 10 each used for calculation of basic earnings per share (adjusted for partly paid shares)	10,000	10,000
Earnings per share, basic	(3.27)	(9.98)

G I BIOTECH PRIVATE LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****Note 14 - Related party disclosures:**

- a. **Parties where control exists**
Holding company
Fermenta Biotech Limited
- b. **Other related party relationships where transactions have taken place during the year**
NIL
- c. **An individual directly controlling the holding company, namely Fermenta Biotech Ltd (formerly known as DIL limited) and can exercise significant influence:**
Krishna Datla - Director
- d. **Related party relationship is identified by the Company on the basis of available information.**
- e. **Transactions with related parties.**
Following table provides the total amount of transaction that have been entered into with related parties for the relevant financial year.

₹.

Particulars	Holding Company
1 Balances outstanding as at the year end	
Trade payables	
- Fermenta Biotech Limited	

(Figures in brackets are the corresponding figures in respect of the previous year.)

G I BIOTECH PRIVATE LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****Note 15 - Financial assets and financial liabilities**

15 Financial assets and financial liabilities			₹.
	Carrying value		
	March 31, 2021	March 31, 2020	
Financial assets measured at Fair value through Other Comprehensive Income			
Financial assets measured at amortised cost			
Cash and Cash Equivalents	16,667.29	14,205.39	
Other financial assets	-	-	
Total assets	16,667.29	14,205.39	
Financial liabilities measured at amortised cost			
Trade payables	10,000.00	25,900.00	
Other current liabilities	-	-	
Total liabilities	10,000.00	25,900.00	

The financial assets above do not include investments in subsidiaries which are measured at cost in accordance with Ind AS 101, Ind AS 27 and Ind AS 28

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, Interest accrued on bank deposits with banks, other current financial assets, other bank balances and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of security deposits and other financial assets and liabilities are considered to be the same as their fair values, as there is an immaterial change in the lending rates.

G I BIOTECH PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 16 - Fair Value

₹.

The carrying value and fair value of financial instruments by categories are as below:

	Carrying value		Fair value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets				
Cash and Cash Equivalents	16,667.29	14,205.39	16,667.29	14,205.39
Other financial assets	-	-	-	-
Total assets	16,667.29	14,205.39	16,667.29	14,205.39
Financial liabilities				
Trade payables	10,000.00	25,900.00	10,000.00	25,900.00
Other current liabilities	-	-	-	-
Total liabilities	10,000.00	25,900.00	10,000.00	25,900.00

The financial assets above do not include investments in subsidiaries which are measured at cost in accordance with Ind AS 101, Ind AS 27 and Ind AS 28

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, Interest accrued on bank deposits with banks, other current financial assets, other bank balances and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of security deposits and other financial assets and liabilities are considered to be the same as their fair values, as there is an immaterial change in the lending rates.

G I BIOTECH PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 17 - Equity price risk

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any major customers are generally covered by other forms of credit insurance.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations as they fall due. The company's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid mutual funds to meet the Company's operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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 undiscounted payments.

As at March 31, 2021	Amount	On Demand	Less than 1 year	1 to 5 years	More than 5	Total
Trade payables	10,000.00	-	10,000.00	-	-	10,000.00
Other current liabilities	-	-	-	-	-	-
Total	10,000.00	-	10,000.00	-	-	10,000.00

As at March 31, 2020	On Demand	Less than 1 year	1 to 5 years	More than 5	Total
Trade payables	25,900.00	-	25,900.00	-	25,900.00
Other current liabilities	-	-	-	-	-
Total	25,900.00	-	25,900.00	-	25,900.00

G I BIOTECH PRIVATE LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****Note 18 - Capital management**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's capital management is to ensure the going concern operation and to maintain an efficient capital structure to support the corporate strategy and maximise shareholder value.

The capital structure is governed by policies approved by the Board of Directors and is monitored by various metrics. The Company maintains focus on capital efficiency without incurring material indebtedness and have positive working capital and free cash flows. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

	Carrying value in ₹.	
	March 31, 2021	March 31, 2020
Trade and other payables	10,000.00	25,900.00
Other financial liabilities	-	-
Less: Cash and cash equivalents (Note 5)	(16,667.29)	(14,205.39)
Net debt (A)	(6,667.29)	11,694.61
Equity	100,000.00	100,000.00
Total Equity		
Capital and Net debt (B)	93,332.71	111,694.61
Gearing ratio (A/B)	-7.14%	10.47%

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

G I BIOTECH PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 19 - Income tax

A Income tax expense in the statement of profit and loss consists of:

	For the period ended 31 March 2021	For the year ended 31 March 2020
Current income tax:		
Income Tax (Current year)	-	-
Less: MAT credit entitlement	-	-
Income tax expense reported in the statement of profit or loss	-	-
Income tax recognised in other comprehensive income		
- Deferred tax arising on income and expense recognised in other comprehensive income	(11,632)	(10,775)
Total	(11,632)	(10,775)

B The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

	For the period ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	(32,660)	(99,784)
Enacted income tax rate in India	26.00%	26.00%
Computed expected tax expense	(8,492)	(25,944)
Effect of tax on:		
Other temporary differences	(3,140)	15,169
Total income tax expense	(11,632)	(10,775)

C The major components of deferred tax (liabilities)/assets arising on account of temporary differences are as follows:

Particulars	As at April 01, 2020	For the year ended March 31, 2021		As at March 31, 2021
		Statement of profit and loss	Other comprehensive income	
Deferred tax liabilities				
Property, Plant and Equipment: Impact of difference between written down value as per books of account and	24,043	(11,632)	-	12,411
Deferred tax expense		(11,632)	-	
Deferred tax assets (Net)	24,043			12,411

Particulars	As at April 01, 2019	For the year ended March 31, 2020		As at March 31, 2020
		Statement of profit and loss	Other comprehensive income	
Deferred tax liabilities				
Property, Plant and Equipment: Impact of difference between written down value as per books of account and	34,818.00	(10,775)	-	24,043
Deferred tax credit		(10,775)	-	
Deferred tax assets (Net)	34,818.00			24,043

Note 20 - These Financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on May 25, 2021.

As per our report of even date attached
For Anil A. Dikshit & Co.
Firm Registration No. 100410W
Chartered Accountants

Anil A. Dikshit
Proprietor
Membership No.: 036706

Thane
Date: May 25, 2021



For and on behalf of the Board of Directors

Krishna Datla
Director

Thane
Date: May 25, 2021

Satish Varma
Director