G I BIOTECH PRIVATE LIMITED

CIN:U24230MH2004PTC148220

BALANCE SHEET AS AT MARCH 31, 2018

	Notes	March 31, 2018 ₹.	March 31, 2017 ₹.	April 01, 2016 ₹.
ASSETS				
NON-CURRENT ASSETS				
a) Property, Plant and Equipment	3	**3,35,038.00**	3,97,692.00	4,60,346.00
b) Intangible assets	4	-	-	-
c) Non-current tax assets (net)	5	**64,159.00**	64,159.00	64,159.00
		3,99,197.00	4,61,851.00	5,24,505.00
CURRENT ASSETS				
a) Financial Assets				
i) Cash and Cash Equivalents	6	**1,99,541.69**	2,27,536.94	2,61,647.64
b) Other current assets	7	-	625.00	615.00
		1,99,541.69	2,28,161.94	2,62,262.64
TOTAL		**5,98,738.69**	6,90,012.94	7,86,767.64
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share Capital	8	**1,00,000.00**	1,00,000.00	1,00,000.00
b) Other equity	9	**(1,81,065.31)**	(1,09,926.06)	(20,458.36)
Equity attributable to owners of the Company		**(81,065.31)**	(9,926.06)	79,541.64
LIABILITIES				
NON-CURRENT LIABILITIES				
a) Deferred tax liability (net)	10	**44,147.00**	63,132.00	71,569.00
		44,147.00	63,132.00	71,569.00
CURRENT LIABILITIES				
a) Financial Liabilities				
ii) Trade payables	11			
A) Total outstanding dues of micro and small enterprises		-	-	-
B) Total outstanding dues of creditors other than micro and small enterprises		**6,35,657.00**	6,36,807.00	6,35,657.00
b) Other current liabilities		-	-	-
		6,35,657.00	6,36,807.00	6,35,657.00
TOTAL		**5,98,738.69**	6,90,012.94	7,86,767.64
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 15, 2018

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

Krishna Datla
Director

Satish Varma
Director

Thane
Date: May 15, 2018

G I BIOTECH PRIVATE LIMITED

CIN:U24230MH2004PTC148220

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Notes	March 31, 2018 ₹.	March 31, 2017 ₹.
Income:			
Revenue from operations		-	-
Other income		-	-
Total revenue (I)		-	-
Expenses:			
Depreciation and amortization expense	12	**62,654.00**	62,654.00
Other expenses	13	**27,470.25**	35,250.70
Total (II)		**90,124.25**	97,904.70
Profit/(Loss) before tax		**(90,124.25)**	(97,904.70)
Tax expense:			
Current tax		-	-
Deferred tax		**(18,985.00)**	(8,437.00)
Total tax expense		**(18,985.00)**	(8,437.00)
Profit/(Loss) for the year		**(71,139.25)**	(89,467.70)
Profit for the year attributable to:			
- Owners of the Company		**(71,139.25)**	(89,467.70)
- Non-controlling interests		-	-
		(71,139.25)	(89,467.70)
Earning per share (equity shares, par value ₹.10 each)	14		
Computed on the basis of total profit for the year			
Basic / Diluted (₹.)		**(7.11)**	(8.95)
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 & CO. Chartered Accountants

Anil A. Dikshit

Proprietor

Membership No.: 036706

Thane

Date: May 15, 2018

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

Krishna Datla

Director

Satish Varma

Director

Thane

Date: May 15, 2018

G I BIOTECH PRIVATE LIMITED
CIN:U24230MH2004PTC148220
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS		March 31, 2018 ₹.	March 31, 2017 ₹.
A. Cash flow from operating activities			
Profit before tax		**(90,124.25)**	(97,904.70)
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		**(27,470.25)**	(35,250.70)
Movements in working capital :			
Decrease/(increase) in other assets		**625.00**	(10.00)
Increase/(decrease) in trade payables		**(1,150.00)**	1,150.00
Cash generation used in operations		**(27,995.25)**	(34,110.70)
Direct taxes paid (net of refunds)		**-**	-
Net cash flow used in operating activities	(A)	**(27,995.25)**	(34,110.70)
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)**	**(27,995.25)**	(34,110.70)
Cash and cash equivalents at the beginning of the year		**2,27,536.94**	2,61,647.64
Cash and cash equivalents at the end of the year		**1,99,541.69**	2,27,536.94
Components of cash and cash equivalents			
With scheduled banks on:			
Current account		**1,99,541.69**	2,27,536.94
Total cash and cash equivalents (Refer Note 6)		**1,99,541.69**	2,27,536.94

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities

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 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 15, 2018

ANIL A. DIKSHIT & CO. Chartered Accountants

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

Krishna Datla
Director

Satish Varma
Director

Thane
Date: May 15, 2018

G I BIOTECH PRIVATE LIMITED

CIN:U24230MH2004PTC148220

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(a) Equity share capital:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance at the beginning and end of the year	1,00,000.00	1,00,000.00	1,00,000.00

(b) Other equity

	Reserves and surplus
	Retained earnings
Balance as at April 01, 2016	**(20,458.36)**
Profit for the year	(89,467.70)
Balance as at March 31, 2017	**(1,09,926.06)**
Loss for the year	(71,139.25)
Balance as at March 31, 2018	**(1,81,065.31)**
* Represents remeasurement of defined benefit plan	

(c) Total equity

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total equity [(a)+(b)]	**(81,065.31)**	(9,926.06)	79,541.64

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

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

Krishna Datla

Director

Satish Varma

Director

Thane

May 15, 2018

Thane

May 15, 2018

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.

These Financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on May 15.2018.

2. Significant accounting policies

(a) Basis of preparation

These financial statements are separate financial statements of the Company (also referred to as standalone financial statements). The Company has prepared financial statements for the year ended March 31, 2017 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules , 2016 and together with the comparative period data as at and for the year ended March 31, 2017. Further, the Company has prepared the opening balance sheet as at April 01, 2016 (the transition date) in accordance with Ind AS.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value. (Refer accounting policy regarding financial instruments)

The financial statements are presented in INR and all values are rounded to the nearest Lakhs, except when otherwise indicated.

These are the Company's first Ind AS financial statements. First-time adoption exemptions are not availed by the Company since no such exemptions are applicable.

2.1 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.

ANIL A. DIKSHIT & CO. * Chartered Accountants *

Exchange difference

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

(c) Fair Value Measurement

The Company measures financial instruments, (Refer Note ---) 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

(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 sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied :

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

- the amount of revenue can be measured reliably;

- it is probable that the economic benefits associated with the transaction will flow to the company; and

Export Incentive:

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and net benefit / obligation is accounted by making suitable adjustments in raw material consumption.

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.

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

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(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

	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.

f) 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 estimates.

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.

(g) 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 Company 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.

(h) 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.

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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

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.

ANIL A. DIKSHIT & CO. Chartered Accountants

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.

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.

(i) 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 form 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.

(j) 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.

(k) 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.

ANIL A. DIKSHIT & CO. Chartered Accountants

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.

(l) 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 deductable temporary differences to the extent that 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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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(q) 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.

(r) 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.

(s) First time adoption of Ind AS

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2016 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the Company under Ind AS 101 are as follows:

i) The Company has adopted the carrying value determined in accordance with I-GAAP for all of its property plant & equipment, intangible assets and investment property as deemed cost of such assets at the transition date.

ii) The Company has elected to measure its investments in subsidiaries/ associate & joint ventures at the previous GAAP caring amount as its deemed cost on the date of transition

(t) Use of estimates and Judgements

The preparation of the Company's financial statements requires the 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. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 3. - Property, Plant and Equipment

	₹.
	Plant and equipment
Deemed cost as at April 01, 2016	4,60,346.00
Additions	-
Balance as at March 31, 2017	4,60,346.00
Additions	-
Balance as at March 31, 2018	4,60,346.00
Accumulated depreciation	
As at April 01, 2016	-
Depreciation expense	62,654.00
Balance as at March 31, 2017	62,654.00
Depreciation expense	62,654.00
Balance as at March 31, 2018	1,25,308.00
Carrying amount	
At April 01, 2016	4,60,346.00
At March 31, 2017	3,97,692.00
At March 31, 2018	3,35,038.00

Note 4. - Intangible assets:

	₹.
	Trade Mark
Deemed cost as at April 01, 2016	-
Additions	-
Balance as at March 31, 2017	-
Additions	-
Balance as at March 31, 2018	-
Accumulated amortisation	
As at April 01, 2016	-
Amortisation expense	-
Balance as at March 31, 2017	-
Amortisation expense	-
Balance as at March 31, 2018	-
Carrying amount	
As at April 01, 2016	-
As at March 31, 2017	-
As at March 31, 2018	-
Net Block	

	March 31, 2018	March 31, 2017	April 01, 2016
	₹	₹	₹
Note 5- Non-current tax assets (net)			
MAT credit entitlement	**64,159.00**	64,159.00	71,569.00
Advance income-tax (net of provision for taxation)			
	64,159.00	64,159.00	71,569.00

	March 31, 2018	March 31, 2017	April 01, 2016
	₹	₹	₹
Note 6 Cash and Cash Equivalents			
Balances with banks:			
With scheduled banks on:			
Current account	**1,99,541.69**	2,27,536.94	2,61,647.64
	1,99,541.69	2,27,536.94	2,61,647.64

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	March 31, 2018	March 31, 2017	April 01, 2016
	₹	₹	₹
Note 7 - Loans and advances			
Prepaid expenses	-	625.00	615.00
	-	625.00	615.00

	March 31, 2018	March 31, 2018	April 01, 2016
	₹	₹	₹
Note 8 - Share capital:			
Authorised Shares:			
50000 [(March 31, 2017 - 50,000)(April 01, 2016 - 50,000)] Equity Shares of ₹.10/- each	**5,00,000.00**	5,00,000.00	5,00,000.00
	5,00,000.00	5,00,000.00	5,00,000.00
Issued, Subscribed and fully paid up shares:			
10000 [(March 31, 2017 - 10,000)(April 01, 2016 - 10,000)] Equity Shares of ₹.10/- each	**1,00,000.00**	1,00,000.00	1,00,000.00
	1,00,000.00	1,00,000.00	1,00,000.00

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

Name of the shareholder	March 31, 2018		March 31, 2017		April 01, 2016	
Equity shares of ₹. 10/- each fully paid,	**No of Shares**	**% holding in the class**	No of Shares	% holding in the class	No of Shares	% holding in the class
Fermenta Biotech Limited	**6,250**	**62.50%**	6,250	62.50%	6,250	62.50%
Ronator Investments Limited	**3,750**	**37.50%**	3,750	37.50%	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, 2018	March 31, 2017	April 01, 2016
	₹	₹	₹
Fermenta Biotech Limited			
6,250 (March 31, 2017 - 30,000) Equity shares of ₹. 10/- each	**62,500.00**	**62,500.00**	**62,500.00**
Ronator Investments Limited			
3,750 (March 31, 2017 - 30,000) Equity shares of ₹. 10/- each	**37,500.00**	**37,500.00**	**37,500.00**

c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹. 100/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

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 shareholder.

d) Reconciliation of shares outstanding at the beginning and at the end of the year

There is no movement in the number of issued, subscribed and paid up equity shares at the beginning and at the end of the financial year.

Note 9 - Other equity

	Reserves and surplus Retained Earnings
Balance at the beginning of the reporting period - 01 April 2016	(20,458.36)
Profit for the year	(89,467.70)
Balance at the end of the reporting period 31 March 2017	(1,09,926.06)
Balance at the beginning of the reporting period - 01 April 2017	**(1,09,926.06)**
Profit for the half year ended 31 March 2018	(71,139.25)
	(1,81,065.31)

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 10 - Deferred tax liability (net): *

	March 31, 2018	March 31, 2017	April 01, 2016
	₹	₹	₹
Deferred tax liability			
Fixed assets: Impact of difference between tax depreciation and depreciation/	**44,147.00**	63,132.00	71,569.00
Gross deferred tax liability	**44,147.00**	63,132.00	71,569.00
Deferred tax asset			
Gross deferred tax asset	-	-	-
Net deferred tax liability	**44,147.00**	63,132.00	71,569.00

* 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.

Note 11 - Trade payables:

	March 31, 2018	March 31, 2017	April 01, 2016
	₹	₹	₹
Total outstanding dues of micro and small enterprises	-	-	-
Total outstanding dues of creditors other than micro and small ent	**6,35,657.00**	6,36,807.00	6,35,657.00
	6,35,657.00	6,36,807.00	6,35,657.00

Note 12 - Depreciation and amortization expense

	March 31, 2018	March 31, 2017
	₹	₹
Depreciation of Property, Plant and Equipment	**62,654.00**	62,654.00
Amortization of intangible assets	-	-
	62,654.00	62,654.00

Note 13 - Other expenses:

	March 31, 2018	March 31, 2017
	₹	₹
Rates and taxes	**3,400.00**	-
Insurance	**625.00**	3,735.00
Legal and professional charges	**10,870.00**	19,400.00
Payment to auditors (Audit fees)	**10,000.00**	10,000.00
Filing Fees	**2,000.00**	2,010.00
Miscellaneous expenses	**575.25**	105.70
	27,470.25	35,250.70

Note 14 - Earnings per share (EPS):

The following table sets forth the computation of basic and diluted earnings per share :

	March 31, 2018	March 31, 2017
	₹	₹
Basic/Diluted		
Net profit for the year attributable to equity shareholders	**(71,139.25)**	(89,467.70)
Weighted average number of equity shares of ₹.10 each used for calculation of basic earnings per share (adjusted for partly paid shares)	**10,000**	10,000
Earnings per share, basic	**(7.11)**	(8.95)

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 15 - 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 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	**6,25,657.00**
		(6,25,657.00)

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

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 16 - Financial assets and financial liabilities

	Carrying value		
	March 31, 2018	March 31, 2017	April 01, 2016
Financial assets measured at amortised cost			
Cash and Cash Equivalents	1,99,541.69	2,27,536.94	2,61,647.64
Other financial assets	-	-	-
Total assets	**1,99,541.69**	**2,27,536.94**	**2,61,647.64**
Financial liabilities measured at amortised cost			
Trade payables	6,35,657.00	6,36,807.00	6,35,657.00
Other current liabilities	-	-	-
Total liabilities	**6,35,657.00**	**6,36,807.00**	**6,35,657.00**

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.

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Note 17 - Fair Value

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

	Carrying value			Fair value		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Financial assets						
Cash and Cash Equivalents	1,99,541.69	2,27,536.94	2,61,647.64	1,99,541.69	2,27,536.94	2,61,647.64
Other financial assets	-	-	-	-	-	-
Total assets	**1,99,541.69**	**2,27,536.94**	**2,61,647.64**	**1,99,541.69**	**2,27,536.94**	**2,61,647.64**
Financial liabilities						
Trade payables	6,35,657.00	6,36,807.00	6,35,657.00	6,35,657.00	6,36,807.00	6,35,657.00
Other current liabilities	-	-	-	-	-	-
Total liabilities	**6,35,657.00**	**6,36,807.00**	**6,35,657.00**	**6,35,657.00**	**6,36,807.00**	**6,35,657.00**

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.

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Note 18 - Equity price risk

The Company's unlisted equity securities are susceptible to market price risk arising form uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Company's Board of Directors review and approve all equity investments. At the reporting date, the exposure to unlisted equity securities at fair value and sensitivity analysis of these investments have been provided in Note-37

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, 2018	Amount	On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	6,35,657.00	-	6,35,657.00	-	-	6,35,657.00
Other current liabilities	-	-	-	-		-
Total	6,35,657.00	-	6,35,657.00	-	-	6,35,657.00

As at April 01, 2017		On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	6,36,807.00	-	6,36,807.00	-	-	6,36,807.00
Other current liabilities	-	-	-	-	-	-
Total	6,36,807.00	-	6,36,807.00	-	-	6,36,807.00

Note 19 - 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.

The gearing ratio at the end of the year was as follows:

	Carrying value		
	March 31, 2018	March 31, 2017	April 01, 2016
Debts (Long term and short term borrowings including current maturities of long term borrowings)	-	-	-
Less: Cash and cash equivalents (Note 6)	1,99,542	2,27,537	2,61,648
Net debt (A)	**(1,99,542)**	**(2,27,537)**	**(2,61,648)**
Total equity	(81,065)	(9,926)	79,542
Gearing ratio (A/B)	246.15%	2292.32%	-328.94%

1) No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018, March 31 2017 and 01 April 01 2016.

2) The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to provide return by the Company to shareholders by continuing to distribute dividends in future periods.

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Note 20 - Income tax

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

	For the period ended 31 March 2018	For the year ended 31 March 2017
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	(18,985)	(8,437)
Total	(18,985)	(8,437)

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 2018	For the year ended 31 March 2017
Profit before tax	(71,139)	(89,468)
Enacted income tax rate in India	25.75%	30.900%
Computed expected tax expense	(18,318)	(27,646)
Effect of tax on:		
Other temporary differences	(667)	19,209
Total income tax expense	(18,985)	(8,437)

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

Particulars	As at April 01, 2017	For the year ended March 31,		As at March 31, 2018
		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 income tax	63,132	(18,985)	-	44,147
Deferred tax expense		(18,985)	-	
Deferred tax assets (Net)	63,132			44,147

Particulars	As at April 01, 2016	For the year ended March 31,		As at March 31, 2017
		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 income tax	71,569.00	(8,437)	-	63,132
Deferred tax credit		(8,437)	-	
Deferred tax assets (Net)	71,569.00			63,132

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 21 - First-time adoption of Ind AS

The Company has prepared the opening financial statements as per Ind AS as of April 01, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and 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:

A. Optional exemptions availed

1. Deemed cost for investment property
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the investment property.

B. Mandatory exceptions

1. 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). Ind AS estimates made to prepare opening balance sheet as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

2. Determining whether an arrangement contains a lease
The Company has applied Appendix C "Determining whether an Arrangement contains a Lease" of Ind AS 17- Leases to determine whether an arrangement existing as on the transition date contains a lease on the basis of facts and circumstances existing as on that date.
3. De-recognition of financial assets and financial liabilities
The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016.
4. 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 ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

C. Transition to Ind AS - Reconciliations
There are no significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101, hence no reconciliations have been provided.

Note 22 - The financial statements were approved for issue by the Board of Directors on May 15, 2018.

Note 23 - Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with the financial statements prepared under Ind AS.

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

ANIL A. DIKSHIT & CO. Chartered Accountants

Thane
Date: May 15, 2018

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

Krishna Datla
Director

Satish Varma
Director

Thane
Date: May 15, 2018