

desai associates

chartered accountants

INDEPENDENT AUDITORS' REPORT

To, The Members of Advanced Enzytech Solutions Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of **Advanced Enzytech Solutions Limited** ("the company"), which comprise the Balance sheet as at 31st March, 2018, Statements of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards of Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies



used and the reasonableness of the accounting estimates made by Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal & Regulatory Requirement

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

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


- a) We have 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 Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 control, refer to our separate report in annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- a) With respect to the other matters to be included in the Auditors' 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 does not have any pending litigations as at March 31, 2018 which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018.
- 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, 2018

**For Desai Associates
Chartered Accountants
FRN: - 102286W**


**Shree Gopal Didwaniya
Partner
Membership No.: 139202**

**Place: Mumbai
Date: 16/05/2018**



“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

- 1) In respect of Company’s fixed assets:
 - a) The company has maintained proper records and full particulars, including quantitative details and situation of fixed assets.
 - b) The company has the program of verification of fixed assets to cover all the items in a phased manner, which, in our opinion is reasonable having regards to the size of the company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the period. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - b) The company does not have any Immovable properties. Thus, paragraph 3 (i) (c) of the order is not applicable to the company.
- 2) The physical verification of inventory has been conducted at reasonable intervals by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records been appropriately dealt with in the books of account. In our opinion the frequency of verification is reasonable.
- 3) The Company has not granted any loan, 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) (a) to (c) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, guarantees and securities given during the year.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise,



Value added Tax, Cess, GST and any other statutory dues with the appropriate authorities.

There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they become payable.

According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and GST which have not been deposited with the appropriate authorities on account of any dispute.

- 8) In our opinion and according to the information and explanations given to us, The Company does not have borrowing from financial institution, banks, and government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided during the year. Thus, paragraph 3 (xi) of the Order is not applicable.;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.



16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Desai Associates
Chartered Accountants
FRN.102286W



Shree Gopal Didwaniya
Partner
Membership No.: 139202

Place: Mumbai
Date: 16/05/2018



ANNEXURE B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ADVANCED ENZYTECH SOLUTIONS LIMITED

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

We have audited the internal financial controls over financial reporting of Advanced Enzytech Solutions Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 Desai Associates
Chartered Accountants
FRN.102286W**



**Shree Gopal Didwaniya
Partner
Membership No.139202**



**Place: Mumbai
Date: 16/05/2018**

Advanced Enzytech Solutions Limited

CIN: U24200MH2008PLC186383

Balance Sheet

as at 31 March 2018

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	3	268,904	238,386	290,476
(b) Financial Assets				
(i) Loans	4	145,350	145,350	145,350
(c) Deferred tax assets (net)	5	1,838,191	1,611,744	2,619,725
(d) Income tax asset		-	169,000	-
Total non-current assets		2,252,445	2,164,480	3,055,551
(2) Current Assets				
(a) Inventories	6	5,710,709	8,146,388	8,440,361
(b) Financial Assets				
(i) Trade receivables	7	35,574,353	31,790,983	32,798,935
(ii) Cash and cash equivalents	8	853,170	1,846,017	351,162
(c) Other current assets	9	5,919,834	9,708,810	9,060,317
Total current assets		48,058,066	51,492,198	50,650,775
Total assets		50,310,511	53,656,678	53,706,326

II. EQUITY AND LIABILITIES

(1) Equity				
(a) Equity share capital	10	700,000	700,000	700,000
(b) Other equity				
1.1 Other Reserves	11	38,759,836	32,915,515	25,982,256
Total equity		39,459,836	33,615,515	26,682,256
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings				
(ii) Trade payables	12	5,225,739	13,827,377	22,528,588
(iii) Other financial Liabilities	13	3,787,198	4,411,233	4,252,121
(b) Other current liabilities	14	1,678,200	1,802,553	133,361
(c) Provisions	15	138,003	-	-
(d) Liabilities for current tax (net)		21,535	-	110,000
Total Current liabilities		10,850,675	20,041,163	27,024,070
Total liabilities		50,310,511	53,656,678	53,706,326

The accompanying notes form an integral part of the financial statements.

In terms of our report attached
For **Desai Associates**
Chartered Accountants
Firm Registration No. 102286W

Shree Gopal Didwaniya
Partner
M. No.: 139202
Place : Mumbai
Date : 16/05/2018



For and on behalf of Board of Directors of
Advanced Enzytech Solutions Limited
CIN No: U24200MH2008PLC186383

Chandra Kumar Rathj Savita Rathj
Director Director
DIN: 00365691 DIN: 00365717
Place : Thane
Date : 16/05/2018

Advanced Enzytech Solutions Limited

CIN: U24200MH2008PLC186383

Statement of Profit and Loss

for the period ended 31 March 2018

	<i>Note</i>	As at 31 March 2018	As at 31 March 2017
INCOME			
Revenue from operations	16	99,698,357	113,383,680
Other Income	17	42,060	2,401,283
Total Income (I + II)		99,740,417	115,784,963
Expenses:			
Cost of materials consumed	18	74,245,482	77,460,275
Changes in inventories of Stock-in-Trade	19	1,530,717	261,309
Excise duty		2,733,960	12,365,793
Employee benefits expense	20	7,178,791	6,921,329
Finance costs	21	189,839	176,192
Depreciation and amortization expense	22	78,003	104,502
Other expenses	23	5,929,265	7,990,957
Total expenses		91,886,057	105,280,357
Profit before tax (III- IV)		7,854,360	10,504,606
Tax expenses:			
	28		
1. Current tax		2,221,535	2,581,000
(Excess) / short provision for earlier years		18,202	(3,690)
Net current tax		2,239,737	2,577,310
2. Deferred tax		(227,292)	1,004,390
Profit for the year (V - VI)		5,841,914	6,922,906
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss - Remeasurement of Defined Benefit Plans		(3,252)	(13,944)
(ii) Income tax related to items that will not be reclassified to profit or loss	28	846	3,591
		(2,406)	(10,353)
Total comprehensive income for the period		5,844,321	6,933,259
Earnings per equity share			
	26		
Basic earnings per share		83.46	98.90
Diluted earnings per share		83.46	98.90

The accompanying notes form an integral part of the financial statements.

In terms of our report attached

For Desai Associates

Chartered Accountants

Firm Registration No. 102286W

For and on behalf of Board of Directors of

Advanced Enzytech Solutions Limited

CIN No: U24200MH2008PLC186383

Shree Gopal Didwaniya

Partner

M. No.: 139202

Place : Mumbai

Date : 16/05/2018



Chandrakumar Rathi Savita Rathi

Director

Director

DIN: 00365691

DIN: 00365717

Place : Thane

Date : 16/05/2018

Advanced Enzytech Solutions Limited
 CIN: U24200MH2008PLC186383
Statement of Changes in Equity (SOCIE)
 for the period ended 31 March 2018

(a) Equity share capital (refer note 10)

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	100,000	1,000,000	100,000	1,000,000	100,000	1,000,000
Changes in equity share capital during the year						
Balance at the end of the year	100,000	1,000,000	100,000	1,000,000	100,000	1,000,000

(b) Other equity (refer note 11)

Particulars	Reserves & Surplus	Other	Total
	Retained earnings	Comprehensive Income	Equity
Balance at April 1, 2016	31,062,691	-	31,062,691
Ind AS Adjustments	(5,080,434)	-	(5,080,434)
Changes in accounting policy / prior period errors			
Balance at 1 April 2016	25,982,256	-	25,982,256
Profit for the year	6,922,906	-	6,922,906
Other comprehensive income for the year	-	10,353	10,353
Total comprehensive income for the year	6,922,906	10,353	6,933,259
Balance at 31 March 2017	32,905,162	10,353	32,915,515
Profit for the year	5,841,914	-	5,841,914
Other comprehensive income for the year	-	2,406	2,406
Total comprehensive income for the year	5,841,914	2,406	5,844,321
Balance at 31 March 2018	38,747,076	12,760	38,759,836

General Reserve

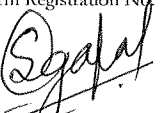
General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss

Remeasurements of Defined Benefit Plans

Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

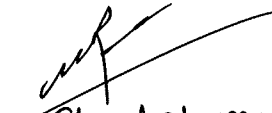
The accompanying notes form an integral part of the financial statements.

In terms of our report attached
 For Desai Associates
 Chartered Accountants
 Firm Registration No. 102286W


 Shree Gopal Didwaniya
 Partner
 M. No.: 139202
 Place : Mumbai
 Date : 16/05/2018



For and on behalf of Board of Directors of
 Advanced Enzytech Solutions Limited
 CIN No: U24200MH2008PLC186383


 Chandrakumar Rathii
 Director
 DIN: 00365691
 Place : Thane
 Date : 16/05/2018

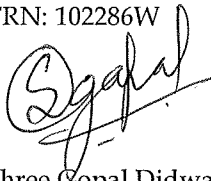

 Savita Rathii
 Director
 DIN: 00365717

Advanced Enzytech Solutions Limited
CIN: U24200MH2008PLC186383
Cash Flow Statement for the year ended 31 March 2018

	In Rupees	
	31 March 2018	31 March 2017
A. Cash flow from operating activities :		
Net profit before tax	7,854,360	10,504,606
Adjustment for :		
Depreciation	78,003	104,502
Interest	188,567	171,034
Provision for/ (write back of) doubtful debts and advances (net)	1,507,215	(2,131,635)
Bad debts written off	-	1,447,523
Interest & Dividend Income	-	(264,008)
Actuarial gains and losses taken to OCI	3,252	13,944
Operating Cash Flows before Working Capital Changes	9,631,397	9,845,966
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	2,435,679	293,973
Trade Receivables	(5,290,586)	1,692,064
Other Current Asset	3,788,976	(648,493)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	(8,601,638)	(8,701,211)
Other Current Financial liabilities	(624,035)	159,112
Other Current Liabilities	(124,353)	1,669,192
Short Term Provisions	138,003	-
Cash Generated from Operations	1,353,443	4,310,603
Net Income tax paid	(2,049,202)	(2,856,310)
Net Cash Flow from Operating Activities	(695,759)	1,454,293
B. Cash Flow from Investing Activities		
Purchase of Tangible Assets	(108,521)	(52,412)
Interest & Dividend income	-	264,008
Net Cash (Used) / generated in Investing Activities	(108,521)	211,596
C. Cash Flow from Financing Activities		
Interest paid	(188,567)	(171,034)
Net Cash (Used) / generated in Financing Activities	(188,567)	(171,034)
Net increase / (decrease) in Cash and Cash Equivalents	(992,847)	1,494,855
Cash and Cash Equivalents as at the beginning of the year	1,846,017	351,162
Cash and Cash Equivalents as at the end of the year	853,170	1,846,017

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

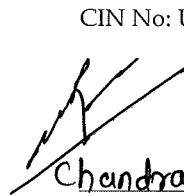
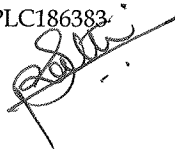
In terms of our report attached of even date
For **DESAI ASSOCIATES**
Chartered Accountants
FRN: 102286W



Shree Gopal Didwaniya
Partner
M. No.: 139202
Place : Mumbai
Date : 16/05/2018



For and on behalf of the board of directors of
Advanced Enzytech Solutions Ltd
CIN No: U24200MH2008PLC186383

 
Chandrakumar Rathi **Savita Rathi**

Director Director
DIN: 00365691 DIN: 00365717
Place : Thane
Date : 16/05/2018

Advanced Enzytech Solutions Limited

CIN: U24200MH2008PLC186383

Notes to the Financial Statements for the year ended 31 March 2018

1 Overview of the Company

Advanced Enzytech Solutions Limited ("the Company") was incorporated on 1st September 2008 and is primarily engaged in business of industrial enzymes and auxiliaries.

2 Basis of preparation of financial statements

Statement of compliance

The Financial statements of the Company comply with all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements for the year ended March 31, 2018 are the first financials with comparatives, prepared under Ind AS. For all previous accounting years, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP"), which is considered as the "Previous GAAP" for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's equity and its net profit is provided in Note 32

These financial statements are the first financial statements of the Company under Ind AS

Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the Company's functional currency.

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset)/ liability that are measured at fair value of plan assets less present value of defined benefit obligations.

2A Use of estimates

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2018 are as follows:

a. Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

c. Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

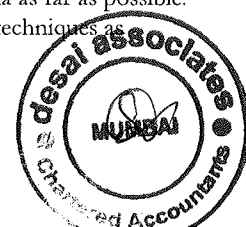
Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.



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Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2B Significant accounting policies:

The accounting policies set out below have been applied consistently to the periods presented in the financial statements.

a. Revenue recognition

Sale of goods is recognized as revenue when the significant risks and rewards of ownership of the goods have passed to the buyer.

- i. Revenues are recognized when collectability of the resulting receivable is reasonably assured. 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
- ii. Interest income is recognized on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

b. Property, plant and equipment and depreciation

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost includes taxes, duties, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

- ii. Subsequent expenditure related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- iii. Capital work-in-progress includes fixed assets not ready for their intended use and related incidental expenses and attributable interest.
- iv. The estimated useful life of assets are as follows:

Plant and equipment	15 years
Furniture and fixtures	10 years
Office equipment	5 years
Computer and data processing equipment	3 years

Depreciation on tangible assets other than plant and equipment has been provided on Written Down Value method and on plant and equipment on Straight Line Method. Depreciation is provided on a pro-rata basis, i.e. from the date on which asset is ready for use.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

- v. An item of property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101

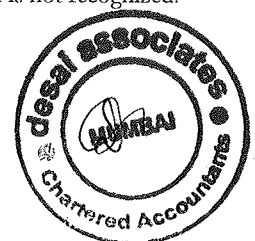
c. Impairment of Property, plant and equipments

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.



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Notes to the Financial Statements for the year ended 31 March 2018

d. Inventories

i. Inventories are valued at lower of cost or net realizable value on an item-by-item basis.

Cost of raw materials, consumables and packing materials is determined on first-in-first-out basis except for stock of not ordinarily interchangeable raw materials, which are determined on their specific individual costs. Cost of finished goods and stock in process is determined by considering materials, labour costs, conversion costs, including an appropriate share of fixed production overheads based on normal operating capacity and other related costs incurred in bringing the inventories to their present condition and location. Cost of finished goods and stock in process is determined on weighted average cost method.

e. Employee benefits

Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. The short term employee benefits are accounted on undiscounted basis during the accounting period based on services

i. rendered by employees.
ii. **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts.

The Company contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services.

Superannuation benefits, a defined contribution plan, has been funded with Life Insurance Corporation of India and the contribution is charged to Statement of profit and loss, when the contribution to the Fund is due.

iii. **Defined benefit plans**

The Company provides for gratuity benefit and compensated absences, which are defined benefit plans, covering all its eligible employees. Liability towards gratuity benefits and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations are carried out at the balance sheet date. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. The gratuity benefit and compensated absences scheme is funded with the Life Insurance Corporation of India (LIC).

The short term provision for compensated absences has been calculated on undiscounted basis, based on the balance of leave available over and above the maximum accumulation allowed as per the Company policy.

f. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and Minimum Alternate Tax (MAT) credit entitlement.

Current tax

Current tax is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961.

g. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation.



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Notes to the Financial Statements for the year ended 31 March 2018

h. Borrowing costs

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalized as cost of that asset until it is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue and recognized as an expense in the Statement of Profit and Loss.

i. Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

j. Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Assets taken on finance lease

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating lease

Leases other than finance leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

k. Cash and cash equivalents

Cash comprises of cash at bank and on hand and cash equivalents comprise of short-term bank deposits with an original maturity of three months or less.

l. Operating cycle

All assets and liabilities have been classified as current or non-current as per criteria set out in the Schedule III to the Companies Act, 2013.

m. Financial Instruments

a. Financial assets

i. Recognition and initial measurement

Trade receivables and debt instruments issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value. In the case of financial assets which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

ii. Classification

On initial recognition, a financial asset is classified as measured at

- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI) - debt investment or equity investment

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



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Notes to the Financial Statements for the year ended 31 March 2018

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVT

iii Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

iv. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

v. 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 on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- Trade receivables.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b. Financial liabilities

i. Recognition and initial measurement

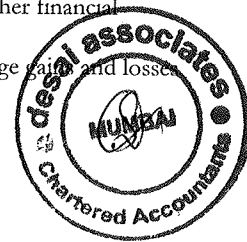
All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

ii Classification, subsequent measurement and gains and losses

classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are

subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.



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Notes to the Financial Statements for the year ended 31 March 2018

iii. Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

n. Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

2C Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115, Revenue from Contracts with Customers and Appendix B to Ind AS 21, The Effects of Changes in Foreign Exchange Rates as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. These amendments will come into force from 1 April 2018.

Ind AS 115 – Revenue from Contract with Customers:

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18, Revenue, Ind AS 11, Construction contracts and the related interpretations when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Identify the contract(s) with a customer, Identify the performance obligations in the contract, Determine the transaction price, Allocate the transaction price to the performance obligations in the contract and Recognise revenue when (or as) the entity satisfies a performance obligation.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e., when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in Ind AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by Ind AS 115.

The Company has evaluated the effect of these amendments on the financial statement and the impact is not expected to be material.



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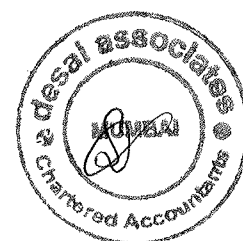
Notes to the Financial Statements for the year ended 31 March 2018

3 Property, Plant and Equipment

	Plant and Equipment	Office Equipments	Furniture and Fixtures	Computers	Total
Gross block					
Balance as at April 01, 2016	100,557	90,470	4,501	94,948	290,476
Additions	-	-	-	52,412	52,412
Balance as at 31 March 2017	100,557	90,470	4,501	147,360	342,888
Additions	-	81,771	-	26,750	108,521
Balance as at 31 March 2018	100,557	172,241	4,501	174,110	451,409
Accumulated depreciation and amortisation					
Balance as at April 01, 2016	-	-	-	-	-
Depreciation and amortisation	8,693	40,054	1,329	54,426	104,502
Balance as at 31 March 2017	8,693	40,054	1,329	54,426	104,502
Depreciation and amortisation	8,693	31,911	937	36,462	78,003
Balance as at 31 March 2018	17,386	71,965	2,266	90,888	182,505
Net block					
Balance as at 31 March 2017	91,864	50,416	3,172	92,934	238,386
Balance as at 31 March 2018	83,171	100,276	2,235	83,222	268,904

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under the previous GAAP

DESCRIPTION	Plant and Equipment	Office equipments	Furniture and Fixtures	Computers	Total
Gross Block	130,827	156,217	17,500	745,752	1,050,296
Accumulated Depreciation	30,270	65,747	12,999	650,804	759,820
Net Block	100,557	90,470	4,501	94,948	290,476



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Notes to the Financial Statements for the year ended 31 March 2018

4 Non- Current Loan	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
Unsecured considered good Security Deposit	145,350	145,350	145,350
	<u>145,350</u>	<u>145,350</u>	<u>145,350</u>

5 Deferred Tax Assets (Net)	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
The breakup of Deferred Tax Assets:			
Arising on account of timing difference in:			
- Property, plant and equipment	20,202	8,255	6,750
- Employee benefits	68,742	26,093	51,330
- Trade receivables	1,749,247	1,344,320	2,271,859
- Other items	-	233,077	289,786
Deferred Tax Assets (Net)	<u>1,838,191</u>	<u>1,611,744</u>	<u>2,619,725</u>

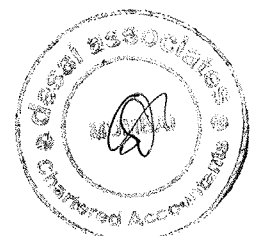
6 Inventories	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
(As taken, valued and certified by management)			
At lower of cost and net realisable value			
Raw materials	6	-	-
Packing Material	186	-	-
Finished goods	5,710,517	8,146,388	8,440,361
	<u>5,710,709</u>	<u>8,146,388</u>	<u>8,440,361</u>

7 Trade Receivables	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
Unsecured			
- Considered good	35,574,353	31,790,983	32,798,935
- Considered doubtful	6,727,874	5,220,658	7,352,293
	<u>42,302,227</u>	<u>37,011,641</u>	<u>40,151,228</u>
Less : Provision for:			
- Doubtful Trade Receivables	6,727,874	5,220,658	7,352,293
	<u>35,574,353</u>	<u>31,790,983</u>	<u>32,798,935</u>

(Refer note 29 for information about credit risk and market risk of trade receivables)

8 Cash and Cash Equivalents	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
Cash and Cash Equivalents (as per IND AS-7 - "Statement of Cash Flows")			
Balances with banks;			
In Current Accounts	832,431	1,841,113	324,664
Cash on hand	20,739	4,904	26,498
	<u>853,170</u>	<u>1,846,017</u>	<u>351,162</u>

9 Other Current Assets	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
Loan to employees	60,000	-	-
Prepaid Expenses	71,649	84,052	71,560
Balance with excise authorities	-	43,556	796,950
Balance with sales tax authorities	5,677,672	9,503,978	8,112,959
Others	110,512	77,224	78,848
	<u>5,919,834</u>	<u>9,708,810</u>	<u>9,060,317</u>



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Notes to the Financial Statements for the year ended 31 March 2018

10 Equity Share Capital	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
Authorised			
1,00,000 Equity Shares of Rs. 10/- each	1,000,000	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Subscribed and Fully Paid-up			
70,000 Equity Shares of Rs. 10/- each	700,000	700,000	700,000
	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>

(a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year:

Equity Shares:	31 March 2018		31 March 2017		1 April 2016	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	70,000	700,000	70,000	700,000	70,000	700,000
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	<u>70,000</u>	<u>700,000</u>	<u>70,000</u>	<u>700,000</u>	<u>70,000</u>	<u>700,000</u>

(b) Rights, preferences and restrictions attached to shares:

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

(c) All the above, 70,000 equity shares of Rs.10/- each are held by the holding company, Advanced Enzyme Technologies Limited, and its nominees.

(d) Shareholders holding more than 5 percent of the equity shares

Name of Shareholder	31 March 2018		31 March 2017		1 April 2016	
	No. of Shares held		No. of Shares held		No. of Shares held	
Advanced Enzyme Technologies Ltd and its nominees	70,000		70,000		70,000	

11 Other Equity	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
Surplus in the statement of profit and loss			
Balance as per last financial statement	32,915,515	25,982,256	24,737,157
Profit for the year	5,844,321	6,933,259	6,325,534
Less: Ind AS adjustments	-	-	(5,080,434)
	<u>38,759,836</u>	<u>32,915,515</u>	<u>25,982,256</u>



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Notes to the Financial Statements for the year ended 31 March 2018

12 Trade Payables

	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
Trade payables:			
Total outstanding dues to micro and small enterprises	-	-	-
Total outstanding dues to others	5,225,739	13,827,377	22,528,588
	<u>5,225,739</u>	<u>13,827,377</u>	<u>22,528,588</u>

The Company has no information about the suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said act have not been given.

13 Other Financial Liabilities

	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
Advances and security deposits from customers	2,622,788	2,318,550	2,324,068
Employee benefits payable	874,282	865,428	835,374
Other payables	290,128	1,227,255	1,092,679
	<u>3,787,198</u>	<u>4,411,233</u>	<u>4,252,121</u>

14 Other Current Liabilities

	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
Provident fund	40,513	48,244	45,864
Other statutory dues	1,637,687	1,754,309	87,497
	<u>1,678,200</u>	<u>1,802,553</u>	<u>133,361</u>

15 Current Provisions

	In Rupees		
	31 March 2018	31 March 2017	1 April 2016
Provision for employee benefits (refer note 27)			
Compensated Absences (funded)	138,003	-	-
	<u>138,003</u>	<u>-</u>	<u>-</u>



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Notes to the Financial Statements for the year ended 31 March 2018

16 Revenue from Operations

	In Rupees	
	31 March 2018	31 March 2017
Sales:		
Finished Goods (including excise duty)	99,698,357	113,383,680
	<u>99,698,357</u>	<u>113,383,680</u>

17 Other Income

	In Rupees	
	31 March 2018	31 March 2017
Interest Income	-	264,008
Other non operating income	42,060	5,640
Reversal of provision for doubtful debts	-	2,131,635
	<u>42,060</u>	<u>2,401,283</u>



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Notes to the Financial Statements for the year ended 31 March 2018

18 Cost of Materials Consumed

	In Rupees	
	31 March 2018	31 March 2017
Cost of materials consumed		
Opening stock of raw material and packing material	-	-
Add: Purchases (Industrial Enzymes)	74,245,674	77,460,275
	74,245,674	77,460,275
Less: Closing stock of raw material and packing material	192	-
	<u>74,245,482</u>	<u>77,460,275</u>

19 Changes in Inventory

	In Rupees	
	31 March 2018	31 March 2017
Closing Stock:		
Finished Goods	5,710,517	8,146,388
Less: Opening Stock:		
Finished Goods	8,146,388	8,440,361
Differential Excise Duty on Opening and Closing stock of Finished Goods	(905,154)	(32,664)
	<u>1,530,717</u>	<u>261,309</u>

20 Employee Benefits Expense

	In Rupees	
	31 March 2018	31 March 2017
Salaries, wages and bonus	6,797,751	6,595,392
Contribution to gratuity, provident and other funds	363,260	282,046
Staff welfare expenses	17,780	43,891
	<u>7,178,791</u>	<u>6,921,329</u>

21 Finance Costs

	In Rupees	
	31 March 2018	31 March 2017
Interest on deposit from customers	188,567	171,034
Bank Charges	1,272	5,158
	<u>189,839</u>	<u>176,192</u>

22 Depreciation and Amortization Expense

	In Rupees	
	31 March 2018	31 March 2017
Depreciation on tangible assets	78,003	104,502
	<u>78,003</u>	<u>104,502</u>



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Notes to the Financial Statements for the year ended 31 March 2018

23 Other Expenses	In Rupees	
	31 March 2018	31 March 2017
Electricity	56,273	43,922
Repairs and Renewals:		
Buildings	42,750	34,200
Other Assets	77,957	93,368
Insurance	65,444	65,165
Rent	666,958	620,894
Rates and Taxes	3,715	3,918
Printing and Stationery	15,507	37,014
Travelling & Conveyance	927,110	934,935
Communication Expenses	99,763	137,791
Legal & Professional Charges	1,192,796	1,153,002
Auditors' Remuneration:		
Statutory Audit fee	50,000	50,000
Donation	-	107,002
Sales Promotion and Advertisement	633,711	1,484,455
Freight and Forwarding (Net)	546,623	617,783
Provision for doubtful debts	1,507,215	-
Bad Debts	-	1,447,523
Miscellaneous Expenses	43,442	1,159,985
	<u>5,929,265</u>	<u>7,990,957</u>



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Notes to the Financial Statements for the year ended 31 March 2018

24 Segment Reporting - Disclosures under Ind AS 108 - "Operating Segment":

i. Entity wide disclosure required by Ind AS 108 are as detailed below:

	Year ended 31 March 2018	Year ended 31 March 2017
Bio- chaemicals	99,698,357	113,383,680
Others	-	-
	<u>99,698,357</u>	<u>113,383,680</u>

25 Leases

Operating leases

The Company has taken certain facilities under operating lease arrangements. The lease can be terminated at the option of either parties by giving due notice. The rental expenses under operating leases "Other expenses" in the statement of profit and loss. The Company does not have any non-cancellable leasing arrangements. The lease rentals recognised in the Statement of Profit and Loss (Refer note 23) for the year are Rs. 666,958/- (previous year Rs. 620,894/-).

26 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

i. Profit attributable to Equity holders

	31 March 2018	31 March 2017
Profit attributable to equity holders	5,841,914	6,933,259

ii. Weighted average number of ordinary shares

	31 March 2018	31 March 2017
Issued ordinary shares at April 1	70,000	70,000
Effect of fresh issue of shares for cash	-	-
Weighted average number of shares at 31 March for basic EPS	70,000	70,000
Weighted average number of shares at 31 March for diluted EPS	70,000	70,000

Basic and Diluted earnings per share

	31 March 2018	31 March 2017
Basic earnings per share	83.46	99.05
Diluted earnings per share	83.46	99.05



27. Post-Employment Benefits

The Company contributes to the following post-employment plans in India.

(A) Defined Benefit Plan:

The Company provides for gratuity benefit and compensated absences, which are defined benefit plans, covering all its eligible employees. The Company has taken a group gratuity and compensated absences policy for its employees with the Life Insurance Corporation of India (LIC). Under gratuity policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death (subject to completion of 4.5 years of employment) in lumpsum after deduction of necessary taxes.

This plan exposes the Company to actuarial risks such as longevity risk, interest rate risk and market (investment) risk.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

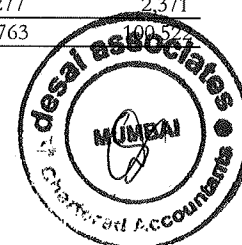
	31 March 2018		31 March 2017		1 April 2016	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Defined benefit obligation	399,341	279,068	329,409	131,690	234,077	114,148
Fair value of plan assets	444,633	141,065	379,976	131,242	302,763	100,522
Net defined benefit (obligation)/assets	45,292	(138,003)	50,567	(448)	68,686	(13,626)

i) Reconciliation in present value of obligations ('PVO') – defined benefit obligation:

	Defined benefit obligation					
	31 March 2018		31 March 2017		1 April 2016	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Opening balance	329,409	131,690	234,077	114,148	127,520	73,171
Included in profit or loss						
Current service cost	93,274	41,885	89,256	41,747	67,379	32,808
Past service cost	-	131,690	-	-	-	-
Interest cost	24,175	9,561	18,655	8,999	9,821	5,553
Included in OCI	(2,291)	76,354	(12,579)	110,093	29,357	19,630
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Financial assumptions	(10,542)	(7,647)	27,403	10,735	(9,842)	(4,540)
Experience adjustment	8,251	84,001	(39,982)	99,358	39,199	24,170
	444,567	391,180	329,409	274,987	234,077	131,162
Benefits paid	(45,226)	(112,112)	-	(143,297)	-	(17,014)
Closing balance	399,341	279,068	329,409	131,690	234,077	114,148

ii) Change in fair value of plan assets

	Fair value of plan assets					
	31 March 2018		31 March 2017		1 April 2016	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Opening balance	379,976	131,242	302,763	100,522	270,306	91,037
Included in profit or loss						
Expenses deducted from the fund	-	-	(592)	(242)	(1,761)	(668)
Expected return on plan assets	31,368	12,050	27,777	9,582	26,637	9,331
	411,344	143,292	329,948	109,862	295,182	99,700
Included in OCI	961	(2,326)	1,365	(354)	(2,696)	(1,549)
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Experience adjustment	961	(2,326)	1,365	(354)	(2,696)	(1,549)
	412,305	140,966	331,313	109,508	292,486	98,151
Other						
Contributions paid by the employer	32,328	99	48,663	21,734	10,277	2,371
Closing balance	444,633	141,065	379,976	131,242	302,763	100,522



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Notes to the Financial Statements for the year ended 31 March 2018

iii) Expense recognised in the Statement of Profit and Loss:

	31 March 2018		31 March 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current service cost	93,274	41,885	89,256	41,747
Past service cost	-	131,690	-	-
Interest cost	(7,193)	(2,489)	(9,122)	(583)
Net value of remeasurements on the obligation and plan assets		78,680		110,447
Expenses deducted from the fund	-	-	592	242
Total expense recognised in the Statement of Profit and Loss	86,081	249,766	80,726	151,853

iii) Other Comprehensive Income:

	31 March 2018		31 March 2017	
	Gratuity	Gratuity	Gratuity	Gratuity
Actuarial loss / (gain) from:				
-Financial assumptions		(10,542)		27,403
-Experience adjustment		8,251		(39,982)
Return on plan assets excluding net interest		(961)		(1,365)
Total amount recognised in OCI		(3,252)		(13,944)

ii. Plan assets

Plan assets comprise the following

	31 March 2018	31 March 2017	1 April 2016
Policy of insurance	100%	100%	100%
	100%	100%	100%

iii. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	31 March 2018		31 March 2017		1 April 2016	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Policy of insurance	100%	100%	100%	100%	100%	100%
Discount rate	7.60%	7.60%	7.40%	7.40%	8.05%	8.05%
Rate of return on plan assets	7.60%	7.60%	7.40%	7.40%	8.05%	8.05%
Salary Escalation	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Withdrawal rates	5% at younger ages reducing to 1% at older ages		5% at younger ages reducing to 1% at older ages		5% at younger ages reducing to 1% at older ages	
Leave availment rates	-	0.0%	-	0.0%	-	0.0%
Retirement age	58 years		58 years		58 years	
Mortality rates	As published under the Indian assured lives mortality (2006-08) table					

Assumptions regarding future mortality have been based on published statistics and mortality tables.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2018		31 March 2017		1 April 2016	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	374,547	426,404	308,053	352,770	Not Available	
Future salary growth (0.5% movement)	426,431	374,302	352,746	307,882	Not Available	

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

v. Expected future cash flows

The expected future cash flows in respect of gratuity as at 31 March 2018 were as follows:

The expected contributions for defined benefit plan for the next financial year will be Rs. 92,075/-

Expected future benefit payments

31 March 2019	9,318
31 March 2020	14,540
31 March 2021	13,799
31 March 2022	14,435
31 March 2023	14,959
Thereafter	84,748



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Notes to the Financial Statements for the year ended 31 March 2018

28 Income taxes

Tax expense

(a) Amounts recognised in profit and loss

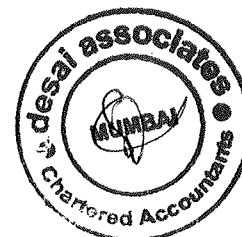
	Year ended 31 March 2018	Year ended 31 March 2017
Current income tax	2,221,535	2,581,000
Changes in estimates related to prior period	18,202	(3,690)
	<u>2,239,737</u>	<u>2,577,310</u>
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(227,292)	1,004,390
Deferred tax expense	(227,292)	1,004,390
Tax expense for the year	<u>2,012,445</u>	<u>3,581,700</u>

(b) Amounts recognised in other comprehensive income

	Year ended 31 March 2018			Year ended 31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Changes in revaluation surplus	(3,252)	846	(2,406)	(13,944)	3,591	(10,353)
	<u>(3,252)</u>	<u>846</u>	<u>(2,406)</u>	<u>(13,944)</u>	<u>3,591</u>	<u>(10,353)</u>

(c) Reconciliation of effective tax rate

	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax	7,854,360	10,504,606
Tax using the Company's domestic tax rate (31 March 2018 : 25.75%, 31 March 2017 : 30.90%)	2,022,498	3,245,923
Tax effect of:		
Permanent differences	-	16,532
Change in tax rate	(17,683)	323,068
Prior period tax	18,202	(3,690)
Others	(10,571)	(133)
Tax expense as per profit or loss	<u>2,012,445</u>	<u>3,581,700</u>



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Notes to the Financial Statements for the year ended 31 March 2018

Income taxes (continued)

(d) Movement in deferred tax balances

	31 March 2018						
	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment	8,255	11,947	-	-	20,202	20,202	-
Employee benefits	26,093	43,494	(846)	-	68,742	68,742	-
Trade receivables	1,344,320	404,928	-	-	1,749,247	1,749,247	-
Other items	233,077	(233,077)	-	-	-	-	-
Tax Assets / (Liabilities)	1,611,744	227,292	(846)	-	1,838,191	1,838,191	-

(c) Movement in deferred tax balances

	31 March 2017						
	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment	6,750	1,504	-	-	8,255	8,255	-
Employee benefits	51,330	(21,646)	(3,591)	-	26,093	26,093	-
Trade receivables	2,271,859	(927,539)	-	-	1,344,320	1,344,320	-
Other items	289,786	(56,709)	-	-	233,077	233,077	-
Tax Assets / (Liabilities)	2,619,724	(1,004,389)	(3,591)	-	1,611,744	1,611,744	-

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.



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Notes to the Financial Statements for the year ended 31 March 2018

29. Financial instruments

1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

31 March 2018	Note No.	FVTPL	Carrying amount			Fair value			Total
			FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets									
Loans - Non current	4	-	-	145,350	145,350	-	145,350	-	145,350
Trade receivables	7	-	-	35,574,353	35,574,353	-	-	35,574,353	35,574,353
Cash and cash equivalents	8	-	-	853,170	853,170	-	-	853,170	853,170
		-	-	36,572,873	36,572,873	-	145,350	36,427,523	36,572,873
Financial liabilities									
Trade payables	12	-	-	5,225,739	5,225,739	-	-	-	-
Other financial Liabilities	13	-	-	3,787,198	3,787,198	-	-	-	-
		-	-	9,012,937	9,012,937	-	-	-	-

31 March 2017	Note No.	FVTPL	Carrying amount			Fair value			Total
			FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets									
Loans - Non current	4	-	-	145,350	145,350	-	145,350	-	145,350
Trade receivables	7	-	-	31,790,983	31,790,983	-	-	31,790,983	31,790,983
Cash and cash equivalents	8	-	-	1,846,017	1,846,017	-	-	1,846,017	1,846,017
		-	-	33,782,350	33,782,350	-	145,350	33,637,000	33,782,350
Financial liabilities									
Trade payables	12	-	-	13,827,377	13,827,377	-	-	-	-
Other financial Liabilities	13	-	-	4,411,233	4,411,233	-	-	-	-
		-	-	18,238,610	18,238,610	-	-	-	-

1 April 2016	Note No.	FVTPL	Carrying amount			Fair value			Total
			FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets									
Loans - Non current	4	-	-	145,350	145,350	-	145,350	-	145,350
Trade receivables	7	-	-	32,798,935	32,798,935	-	-	32,798,935	32,798,935
Cash and cash equivalents	8	-	-	351,162	351,162	-	-	351,162	351,162
		-	-	33,295,447	33,295,447	-	145,350	33,150,097	33,295,447
Financial liabilities									
Trade payables	12	-	-	22,528,588	22,528,588	-	-	-	-
Other financial Liabilities	13	-	-	4,252,121	4,252,121	-	-	-	-
		-	-	26,780,709	26,780,709	-	-	-	-

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value

Type	Valuation technique
Non current financial assets / liabilities measured at amortised cost	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.



C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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Notes to the Financial Statements for the year ended 31 March 2018

Financial instruments – Fair values and risk management

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

At 31 March 2018, the Company's most significant customer accounted for INR 4.83 million of the trade and other receivables carrying amount (31 March 2017 : INR 3.55 million).

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	31 March 2018		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	24,088,323	1.98%	477,796
0-90 days	11,215,654	2.94%	329,468
90-180 days	1,183,279	13.59%	160,804
180-270 days	287,561	80.82%	232,395
270-360 days	387,251	100.00%	387,251
More than 360 days	5,140,159	100.00%	5,140,159
	<u>42,302,227</u>		<u>6,727,874</u>

	31 March 2017		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	22,018,392	0.15%	33,908
0-90 days	8,640,299	0.15%	13,306
90-180 days	1,191,196	1.49%	17,764
180-270 days	37,868	83.96%	31,795
270-360 days	150,170	100.00%	150,170
More than 360 days	4,973,716	100.00%	4,973,716
	<u>37,011,641</u>		<u>5,220,658</u>

	1 April 2016		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	8,611,434	3.40%	292,627
0-90 days	19,708,661	3.40%	669,725
90-180 days	4,181,223	13.48%	563,530
180-270 days	3,055,287	40.32%	1,231,787
270-360 days	257,925	100.00%	257,925
More than 360 days	4,336,698	100.00%	4,336,698
	<u>40,151,228</u>		<u>7,352,293</u>

Expected credit loss assessment for customers as at 1 April 2016, 31 March 2017 and 31 March 2018

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Amount
Balance as at 1 April 2016	7,352,293
Impairment loss recognised	(684,112)
Amounts written off	1,447,523
Balance as at 31 March 2017	5,220,658
Impairment loss recognised	1,507,215
Amounts written off	-
Balance as at 31 March 2018	6,727,874



The impairment loss at March 31, 2018 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Company held cash and cash equivalents of Rs. 853,170/- at 31 March 2018 (31 March 2017: Rs. 1,846,017/-, 1 April 2016 : Rs. 351,162/-). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

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Notes to the Financial Statements for the year ended 31 March 2018

Financial instruments – Fair values and risk management

iii. Liquidity risk

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

Exposure to liquidity risk:

March 31, 2018	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Trade payable	5,225,739	5,225,739	5,225,739	-	-	-
Other financial liabilities	3,787,198	3,787,198	3,787,198	-	-	-

March 31, 2017	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Trade payable	13,827,377	13,827,377	13,827,377	-	-	-
Other financial liabilities	4,411,233	4,411,233	4,411,233	-	-	-

April 1, 2016	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Trade payable	22,528,588	22,528,588	22,528,588	-	-	-
Other financial liabilities	4,252,121	4,252,121	4,252,121	-	-	-



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Notes to the Financial Statements for the year ended 31 March 2018

Financial instruments – Fair values and risk management (continued)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is not exposed to market risk primarily related to foreign exchange rate risk.



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Notes to the Financial Statements for the year ended 31 March 2018

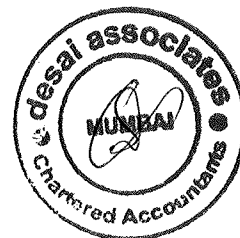
Financial instruments – Fair values and risk management (continued)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The Company does not have any borrowing in financial years 2015-16, 2016-17 and 2017-18 accordingly there is no exposure to interest rate risk.



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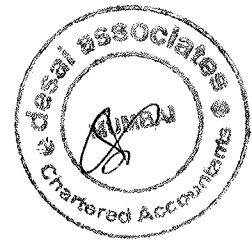
Notes to the Financial Statements for the year ended 31 March 2018

30. Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximise shareholders value. 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 Company monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

The Company does not have any borrowing in financial years 2015-16, 2016-17 and 2017-18. Hence, the whole equity belongs to shareholders.



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Notes to the Financial Statements for the year ended 31 March 2018

31 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

Related Party Disclosure:

a) Parties which significantly influence / are influenced by the company (either individually or with others) -

I Holding Company

Advanced Enzyme Technologies Limited

II Fellow Subsidiaries

Advanced Bio- Agro Tech Limited

JC Biotech Private Limited (w.e.f. 1 December 2016)

Advanced Enzymes, USA

Cal India Food International, USA (subsidiary of Advanced Enzymes USA, Inc.)

Advanced Supplementary Technologies Corporation, USA (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)

Dynamic Enzymes Inc., USA (Wholly owned subsidiary of Advanced Enzymes USA)

Enzyme Innovation Inc., USA (Wholly owned subsidiary of Cal India Foods International)

Enzyfuel Innovation Inc., USA (Wholly owned subsidiary of Advanced Enzymes USA, Inc. up to 19 September 2017)

Advanced Enzymes, Malaysia Sdn. Bhd., Malaysia (Subsidiary of Advanced Enzyme Technologies Limited w.e.f. 3 July 2017 up to 11 March 2018) (Wholly owned subsidiary of Advanced Enzyme Technologies Limited w.e.f. 12 March 2018)

Advanced Enzymes Europe B.V., Netherland (w.e.f. 11 July 2017)

Evovx Technologies GMBH, Germany (Wholly owned subsidiary of Advanced Enzymes Europe B. V.) (w.e.f. 15 August 2017)

III Other Related Parties (Companies in which directors or their relatives are interested)

Advanced Vital Enzymes Private Ltd.

b) Nature of transactions with Holding company:	In Rupees	
	Year ended 31 March 2018	Year ended 31 March 2017
Purchases of materials	74,056,311	77,194,430
	Year ended 31 March 2018	Year ended 31st March, 2017
Trade payable	5,225,739	13,827,377

No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from / to above related party.



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Notes to the Financial Statements for the year ended 31 March 2018

32. First time adoption of Ind AS:**Transition to Ind AS:**

For the purposes of reporting as set out in Note 1, we have transitioned our basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the "transition date").

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables.

A. Reconciliation of net worth as at 31 March 2017

Particulars	Note	As on 1 April 2016	As on 31 March 2017
Equity reported under IGAAP		31,762,691	37,491,855
Summary of Ind AS adjustments			
Provision for doubtful debts under Expected Credit Loss Model	1	(7,352,293)	(5,220,658)
Deferred tax on above adjustments	2	2,271,859	1,344,320
Total Ind AS Impact		(5,080,434)	(3,876,339)
Equity reported under Ind AS		26,682,256	33,615,516

B. Reconciliation of Comprehensive Income for the year ended on 31 March 2017

Particulars	Note	Year ended 01.04.2016 Audited	Year ended 31.03.2017 Audited
Net profit reported under IGAAP		6,325,534	5,729,164
Add/ (less): adjustments for GAAP differences			
Provision for doubtful debts under Expected Credit Loss Model	1	-	2,131,635
Deferred tax on above adjustments	2	-	(927,539)
Total Comprehensive Income under Ind AS		6,325,534	6,933,260

C. Reconciliation of Statement of Cash Flows

There were no material differences between the Statement of Cash Flows presented under Ind AS and under IGAAP.

Notes to the reconciliation:**1. Trade and other receivables**

Under Indian GAAP, the Company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind-AS, impairment allowance has been determined based on Expected Loss model (ECL).

2. Other deferred tax adjustments

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

3. Actuarial gain and loss

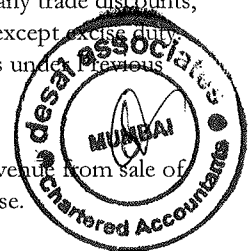
Under previous GAAP, the Company recognised remeasurement of defined benefit plans under profit or loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

4. Revenue

Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include rebates and incentives given to customers which have been reclassified from other expenses under previous GAAP and netted from revenue under Ind AS.

5. Excise duty on sales

Under previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as an expense.



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Notes to the Financial Statements for the year ended 31 March 2018

33. Exemptions and exceptions availed

1 Ind AS mandatory exceptions

1.1 Estimates

The estimates at 1 April 2016 and 31 March 2017 are consistent with those made for the same dates in accordance with the Indian GAAP (after adjustments to reflect any differences if any, in accounting policies).

1.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions prospectively

1.3 Classification and measurement of financial assets

The Company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

2 Ind AS optional exemptions

2.1 Deemed cost

The Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as the deemed cost at the date of transition to Ind AS, measured as per the previous GAAP

In terms of our report attached

For Desai Associates
Chartered Accountants
Firm Registration No. 102286W



Shree Gopal Didwaniya

Partner

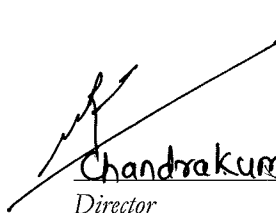
M. No.: 139202

Place : Mumbai

Date : 16/05/2018



For and on behalf of Board of Directors of
Advanced Enzytech Solutions Limited
CIN No: U24200MH2008PLC186383



Director

DIN: 00365691

Place : Thane

Date : 16/05/2018



Director

DIN: 00365717