

Independent Auditors' Report

To
The Members,
Krisani Bio Sciences Private Limited

Report on the Ind AS financial statements

We have audited the accompanying financial Ind AS statements of Krisani Bio Sciences Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (Including other comprehensive income), the Statement of cash flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as 'Ind AS financial statements').

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, and cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure -A a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the statement of Cash flows and the changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, relevant rules issued there under.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for Visweswara Rao & Associates
Chartered Accountants
Firm Registration No. 005774S

(Mahidhar.S.G.)

Partner

Membership No.216463



Place: Hyderabad
Date: 10-05-2018

Annexure - A to the Independent Auditors' Report:

The Annexure referred to the Independent auditors' report to the members of the company on the Ind AS financial statements for the year ended 31 March 2018, we report that

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A major portion of fixed assets have been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the company does not have any immovable property hence paragraph 3 (i)(c) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- ii. The inventory has been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification and have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. 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 Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal.
- vi. In our opinion and according to the information and explanations given to us, maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company is 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 and any other statutory dues to the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income Tax or Sales Tax or Service Tax or duty of customs or duty of excise or value added tax or cess as at 31st March, 2018 which have not been deposited on account of a dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The company has not paid or provided any managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Companies (Auditor's Report) Order, 2016 is not applicable.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for Visweswara Rao & Associates
Chartered Accountants
Firm Registration No.005774S


(Mahidhar.S.G)
Partner
Membership No. 216463



Place: Hyderabad
Date: 10-05-2018

Annexure - B to the Independent Auditors' Report:

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

We have audited the internal financial controls over financial reporting of Krisani Bio Sciences Private Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st 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 Visweswara Rao & Associates
Chartered Accountants
Firm Registration No.005774S


(Mahidhar.S.G)
Partner
Membership No. 216463



Place: Hyderabad
Date: 10-05-2018

KRISANI BIO SCIENCES PRIVATE LIMITED
63354/13/B2, FLAT NO. B2 SURYATEJA APARTMENTS
HINDI NAGAR, PUNJAGUTTA, HYDERABAD 500034
BALANCE SHEET AS AT 31st MARCH 2018

(Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
I	ASSETS:				
(1)	Non-current assets				
	(a) Property, Plant and Equipment	2	3,419,935	4,632,449	5,887,029
	(b) Capital work-in-progress		-	-	-
	(c) Goodwill		-	-	-
	(d) Other Intangible Assets		-	-	-
	(e) Intangible Assets under development		152,166,663	148,547,731	136,561,750
	(f) Financial assets				
	(i) Investments	3	75,000	75,000	75,000
	(g) Deferred tax assets (net)	4	3,631,005	3,009,437	10,238,023
	(h) Other non-current assets		-	-	-
(2)	Current assets				
	(a) Inventories	5	-	13,033	95,233
	(b) Financial assets				
	(i) Investments		-	-	-
	(ii) Trade receivables		-	-	-
	(iii) Cash and cash equivalents	6	124,930	35,760	186,438
	(iv) Bank Balances other than (iii) above		-	-	-
	(v) Loans and advances		-	-	-
	(vi) Investments held for Sale		-	-	-
	(c) Other current assets	7	38,099	-	-
	TOTAL ASSETS		159,455,632	156,313,410	153,043,473
II	EQUITY AND LIABILITIES:				
	Equity				
	(a) Equity Share Capital	8	114,332,000	114,332,000	114,332,000
	(b) Other Equity	9	(29,256,551)	(28,981,938)	(19,102,053)
	Liabilities				
(1)	Non Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings		-	-	-
	(b) Provisions	10	-	281,400	281,400
(2)	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	11	68,050,000	65,009,985	52,329,985
	(ii) Trade Payables		-	-	-
	(iii) Other financial liabilities		-	-	-
	(b) Other current liabilities	12	6,330,183	5,671,963	5,202,141
	(c) Provisions		-	-	-
	(d) Current tax liabilities(Net)		-	-	-
	TOTAL EQUITY AND LIABILITIES		159,455,632	156,313,410	153,043,473
	Significant accounting policies and notes to accounts	1 to 24			

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants
Firm Registration No: 005774S

(Mahidhar.S.G)
Partner

Membership No. 216463



(K.Krishnam Raju)
Director
DIN: 00874650

for and on behalf of the Board
for Krisani Bio Sciences Private Limited

K.S.V.Kumari

(K.S.V.Kumari)
Director

DIN: 01870825

(Shwetha R Anthapur)
Company Secretary

Membership No. A31416

Place: Hyderabad
Date : 10-05-2018



KRISANI BIO SCIENCES PRIVATE LIMITED
63354/13/B2, FLAT NO. B2 SURYATEJA APARTMENTS
HINDI NAGAR, PUNJAGUTTA, HYDERABAD 500034
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018

(Amount in Rs.)

	PARTICULARS	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
I	Revenue from operations		-	-
II	Other Income	13	281,400	-
III	Total Income (I+II)		281,400	-
IV	Expenses:			
	Employee Benefits Expense	14	226,985	1,641,446
	Depreciation and amortization expense	2	97,148	139,214
	Other expenses	15	853,448	870,639
	Total Expenses		1,177,581	2,651,299
V	Profit before tax (III-IV)		(896,181)	(2,651,299)
VI	Tax Expense			
	- Current tax		-	-
	- Deferred tax		(621,568)	7,228,586
VII	Profit for the period (V-VI)		(274,613)	(9,879,885)
VIII	Other Comprehensive Income (OCI)			
	i) Items that will not be reclassified to profit & loss		-	-
	ii) Income tax relating to items that will not be reclassified to profit & loss		-	-
	Other comprehensive income for the year (net of tax)		-	-
IX	Total Comprehensive Income (VII+VIII)		(274,613)	(9,879,885)
X	Earnings per equity share: (Equity shares of par value of Rs.10/- each)			
	- Basic		(0.02)	(0.86)
	- Diluted		(0.02)	(0.86)
	Significant accounting policies and notes to accounts	1 to 24		

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants
Firm Registration No: 0057745


(Mahidhar S.G.)
Partner
Membership No. 216463



for and on behalf of the Board
for Krisani Bio Sciences Private Limited


(K. Krishnam Raju)
Director
DIN: 00874650


(K.S.V. Kumari)
Director
DIN: 01870825

(Shwetha R Anthapur)
Company Secretary
Membership No. A31416

Place: Hyderabad
Date : 10-05-2018



KRISANI BIO SCIENCES PRIVATE LIMITED
Statement of Changes in Equity
For the year ended 31 March 2018

a. Equity share capital

(Amount in Rs.)

	Amount
Balance as at the 1 April 2016	114,332,000
Changes in equity share capital during 2016-17	-
Balance as at the 31 March 2017	114,332,000
Changes in equity share capital during 2017-18	-
Balance as at the 31 March 2018	114,332,000

b. Other equity

(Amount in Rs.)

	Reserves and surplus		Items of Other comprehensive income (OCI)	Total
	Securities Premium Reserve	Retained earnings	Others	
Balance at 1 April 2016	2,313,000	(21,415,053)	-	(19,102,053)
Total comprehensive income for the year ended 31 March 2017				
Profit or loss		(9,879,885)	-	(9,879,885)
Other comprehensive income (net of tax)		-	-	-
Total comprehensive income	-	(9,879,885)	-	(9,879,885)
Transactions with owners in their capacity as owners directly in equity				
	-	-	-	-
Balance at 31 March 2017	2,313,000	(31,294,938)	-	(28,981,938)
Total comprehensive income for the year ended 31 March 2018				
Profit or loss	-	(274,613)	-	(274,613)
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	-	(274,613)	-	(274,613)
Transactions with owners in their capacity as owners				
	-	-	-	-
Balance at 31 March 2018	2,313,000	(31,569,551)	-	(29,256,551)

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants
Firm Registration No: 0057745

(Mahidhar S.G.)
Partner
Membership No. 216463



for and on behalf of the Board
for Krisani Bio Sciences Private Limited

(K. Krishnam Raju)
Director
DIN: 00874650

(K.S.V. Kumari) (Shwetha R Anthapur)
Director Company Secretary
DIN: 01870825 Membership No. A31416

Place: Hyderabad
Date : 10-05-2018




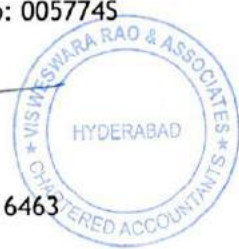
KRISANI BIO SCIENCES PRIVATE LIMITED
63354/13/B2, FLAT NO. B2 SURYATEJA APARTMENTS
HINDI NAGAR, PUNJAGUTTA, HYDERABAD 500034
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2018


PARTICULARS	Year ended 31-03-2018 Amount in Rs.	Year ended 31-03-2017 Amount in Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax	(896,181)	(2,651,299)
Adjustment for:		
Depreciation and Amortisation	97,148	139,214
Interest Expenses	-	-
Interest Earned	-	-
Cash Flows from Operations before changes in assets and liabilities	(799,033)	(2,512,085)
Adjustment for changes in:		
(Increase)/ Decrease in trade receivables	-	-
(Increase)/Decrease in loans & advances	(38,099)	-
(Increase) / Decrease in Inventories	13,033	82,200
(Increase) / Decrease in Trade Payables	-	-
Increase/(Decrease) in Liabilities and Provisions	376,820	469,822
Income Tax Paid	-	-
Net cash from operating activities(A)	(447,279)	(1,960,063)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Fixed assets and Capital Work In progress	(2,503,566)	(10,870,615)
Bank Balances not considered as Cash and Cash equivalents		
-Deposits Placed	-	-
Net cash used in Investing activities (B)	(2,503,566)	(10,870,615)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Share Capital	-	-
Increase / (Decrease) in Borrowings	3,040,015	12,680,000
Interest paid	-	-
Net cash Flow from Financing Activities (C)	3,040,015	12,680,000
Net Increase/(Decrease) in cash & cash equivalents [A+B+C]	89,170	(150,678)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	35,760	186,438
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	124,930	35,760

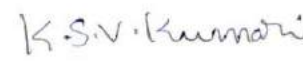
As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants
Firm Registration No: 0057745

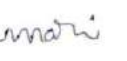
for and on behalf of the Board
for Krisani Bio Sciences Private Limited


(Mahidhar.S.G)
Partner
Membership No. 216463




(K. Krishnam Raju) Director
DIN: 00874650


(K.S.V. Kumari) Director
DIN: 01870825


(Shwetha R Anthapur) Company Secretary
Membership No. A31416

Place: Hyderabad
Date : 10-05-2018



1. Significant Accounting Policies & Notes annexed to and forming part of the financial Statements

1.1. Basis for preparation of financial statements:

a) Compliance with Indian Accounting Standards (Ind As)

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind As) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013. Up to the year ended March 31, 2017, the Company prepared financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

These are the Company's first Ind As financial statements. The date of transition to Ind As is April 1, 2016.

b) First time adoption

In accordance with Ind As 101 on First- time adoption of Indian Accounting Standards, the Company has prepared its first Ind As financial statements which include:

- (i) Three Balance sheets namely, the opening Balance Sheet as at 1st April, 2016 (The transition date) by recognizing all assets and liabilities whose recognition is required by Ind As, not recognizing assets or liabilities which are not permitted by Ind As, by reclassifying assets and liabilities from previous GAAP as required by Ind As and applying Ind As in measurement of recognized assets and liabilities; and Balance Sheets as at March 31, 2018 and 2017; and
- (ii) Two Statements each of profit and loss; cash flows and changes in equity for the years ended March 31, 2018 and 2017 together with related notes.

The same accounting policies have been applied for all the periods presented except when the company has made use of certain exceptions.

The financial statements have been prepared on the historical cost basis except for certain instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating as per the Company's normal operating cycle and other criteria set out in the schedule III of the Act. The Company has determined its operating cycle as twelve months for the purpose of current-noncurrent classification of assets and liabilities.

The financial statements are presented in Indian Rupees which is also its functional currency. All amounts have been rounded - off to the nearest rupees, unless otherwise indicated.

c) Use of estimates and judgment

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

1.2. Property, Plant and Equipment & Depreciation

Items of Property, Plant and Equipment are stated at cost less accumulated depreciation.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Depreciation on the fixed assets has been provided based on useful lives as prescribed under part C of the schedule II of the companies act, 2013.

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

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Transition to Ind AS: On Transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per previous GAAP which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 16 Property, plant and equipment.

1.3 Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

1.4 Intangible assets

Intangible assets are amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as change in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in profit or loss.

1.5 Inventory

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

Stores and consumables are valued at cost arrived at on FIFO basis or net realisable value, whichever is lower

1.6 Foreign currencies transactions and translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

1.7 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (other than employee benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.8 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Interest Income

Interest income from a financial asset is recognised using effective interest rate method. However, in respect of certain financial assets where it is not probable that the economic benefits associated with the transaction will flow to the entity and amount of revenue cannot be measured reliably, in such cases interest income is not recognised.

1.9 Dividend Income

Dividends will be recognised when the company's right to receive has been established

1.10 Employee benefits

1.10.1 Short term employee benefits

The undiscounted amount of short term employee benefits are expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

1.10.2 Post-Employment Benefits

There are no permanent employees on the rolls of the company and the company is not liable pay any Post-Employment Benefits.

1.11 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

1.12 Leases

Leases are classified as finance lease whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.

1.13 Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest method.

1.14 Earnings per equity share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owner of the company.
- By the weighted number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.15 Financial Instruments

i. Financial assets

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

a) Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order 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.

b) Financial assets at fair value through profit or loss (FVTPL)

A Financial asset which is not classified as AC or FVOCI are measured at FVTPL e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

c) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it 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.

B. Investments in subsidiaries

The Company has accounted for its investments in subsidiaries at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

ii. Financial Liabilities

A. Initial recognition

All financial liabilities are recognized at fair value.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

KRISANI BIO SCIENCES PRIVATE LIMITED
Notes to accounts

1.16 First time adoption of Ind As

Transition to Ind As

The Company has adopted Ind As with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening reserves as at 1st April, 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind As and Schedule III.

a) Exemptions from retrospective application

i. Fair value as deemed cost exemption

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date.

KRISANI BIO SCIENCES PRIVATE LIMITED
Notes to accounts

NOTE NO. 2: PROPERTY, PLANT AND EQUIPMENT:

(Amount in Rs.)

	Computers	Furniture and Fixtures	Lab Equipments	Office Equipment	Total
Deemed cost (gross carrying amount)					
Balance at 1 April 2016	690,649	540,815	8,942,338	335,939	10,509,741
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31 March 2017	690,649	540,815	8,942,338	335,939	10,509,741
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31 March 2018	690,649	540,815	8,942,338	335,939	10,509,741
Accumulated depreciation					
Balance at 1 April 2016	597,476	268,216	3,463,147	293,873	4,622,712
Depreciation for the year	33,467	63,681	1,115,366	42,066	1,254,580
Balance at 31 March 2017	630,943	331,897	4,578,513	335,939	5,877,292
Depreciation for the year	33,467	63,681	1,115,366	-	1,212,514
Balance at 31 March 2018	664,410	395,578	5,693,879	335,939	7,089,806
Carrying amounts(net)					
At 1 April 2016	93,173	272,599	5,479,191	42,066	5,887,029
At 31 March 2017	59,706	208,918	4,363,825	-	4,632,449
At 31 March 2018	26,239	145,237	3,248,459	-	3,419,935

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per previous GAAP, which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 16 Property, plant and equipment. As on 1 April 2016, gross block and accumulated depreciation was Rs.1,05,09,741/- and Rs.46,22,712/- respectively.

Depreciation on Lab Equipments amounting to Rs.11,15,366/- (Previous Year Rs. 11,15,366/-) Included in Intangible Assets Under Development.

NOTE NO: 3 NON CURRENT INVESTMENTS:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(A) Investment In Equity shares of other companies 7,500 Equity Shares of Rs.10/- each in Krisani Innovations Private Limited	75,000	75,000	75,000
	75,000	75,000	75,000

NOTE NO: 4 DEFERRED TAX ASSETS (Net):

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Opening Deferred Tax asset	3,009,437	10,238,023
Deferred tax asset/(liability) to P&L for the year	621,568	(7,228,587)
Deferred tax asset to OCI for the year	-	
Closing Deferred tax asset	3,631,005	3,009,437

Component of Deferred tax asset / (liabilities)

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Deferred tax asset / (liabilities) in relation to:		
Property, plant & equipment	(70,769)	(273,531)
Carry forward Losses	3,352,644	2,846,885
Future allowable Expenses	349,130	436,083
	3,631,005	3,009,437

NOTE NO: 5 INVENTORIES:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	-	Amount in Rs.	Amount in Rs.
(a) Stores and consumables	-	13,033	95,233
	-	13,033	95,233

NOTE NO: 6 CASH AND CASH EQUIVALENTS:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Balance with banks	89,930	34,328	174,826
(b) Cheques in Hand	-	-	-
(c) Cash on Hand	35,000	1,432	11,612
	124,930	35,760	186,438

NOTE NO: 7 OTHER CURRENT ASSETS:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) GST Receivable	38,099	-	-
	38,099	-	-

NOTE NO: 8: EQUITY SHARE CAPITAL:

PARTICULARS	As At March 31, 2018		As At March 31, 2017		As At April 1st, 2016	
	Number	Amount in Rs.	Number	Amount in Rs.	Number	Amount in Rs.
Authorised Equity Shares of Rs. 10/- each	15,000,000	150,000,000	15,000,000	150,000,000	15,000,000	150,000,000
Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up (Refer foot note (a) to (d) below)	11,433,200	114,332,000	11,433,200	114,332,000	11,433,200	114,332,000
Total	11,433,200	114,332,000	11,433,200	114,332,000	11,433,200	114,332,000

Foot note:

(a) Reconciliation of the number of shares outstanding as at March 31, 2018, March 31, 2017 and April 1, 2016:

PARTICULARS	As At March 31, 2018		As At March 31, 2017		As At April 1st, 2016	
	Number	Amount in Rs.	Number	Rs. In lakhs	Number	Rs. In lakhs
Equity Shares outstanding at the beginning of the year	11,433,200	114,332,000	11,433,200.00	114,332,000	11,433,200	114,332,000
Equity Shares issued during the year	-	-	-	-	-	-
Equity Shares bought back during year	-	-	-	-	-	-
Equity Shares outstanding at the end of the year	11,433,200	114,332,000	11,433,200	114,332,000	11,433,200	114,332,000

(b) Details of Shareholders holding more than 5 % shares:

PARTICULARS	As At March 31, 2018		As At March 31, 2017		As At April 1st, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
1 DR Habeebullah Life Sciences Limited (Formerly known as PC Products India Limited)	5,868,200	51.33%	5,868,200	51.33%	-	0.00%
2 K. KRISHNAM RAJU	-	0.00%	-	0.00%	3,091,000	27.04%
3 K. MAHESH	3,975,000	34.77%	3,975,000	34.77%	3,975,000	34.77%
4 K. NIRUSHA	-	0.00%	-	0.00%	840,000	7.35%
5 K. NEELIMA	-	0.00%	-	0.00%	745,000	6.52%
6 K. S. V. KUMARI	-	0.00%	-	0.00%	678,000	5.93%

(c) Details of Shareholding by Holding company:

PARTICULARS	As At March 31, 2018		As At March 31, 2017		As At April 1st, 2016	
	No. of Shares held	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
1 DR Habeebullah Life Sciences Limited (Formerly known as PC Products India Limited)	5,868,200	51.33%	5,868,200	51.33%	0.00%	0.00%

(d) Terms and rights attached to the equity shares:

The Company has only one class of equity shares having par value of Rs.10/- each. Each holder of equity shares is entitled for one vote per share. Distribution of dividends and repayment of capital, if any, by the company, shall be subject to the provisions of applicable laws.

NOTE NO: 9 OTHER EQUITY

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
(a) Securities Premium:	2,313,000	2,313,000
(b) Retained earnings:		
Opening balance	(31,294,938)	(21,415,053)
(+) Net profit during the year	(274,613)	(9,879,885)
Closing balance	(31,569,551)	(31,294,938)
(c) Other Comprehensive income:	-	-
Total (a+b+c)	(29,256,551)	(28,981,938)

NOTE NO: 10 LONG TERM PROVISIONS:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Provision for employee benefits	-	281,400	281,400
	-	281,400	281,400

NOTE NO: 11 BORROWINGS:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Un Secured Loans from Directors	68,050,000	65,009,985	52,329,985
	68,050,000	65,009,985	52,329,985

The above loans are interest free loans and repayable on demand.

NOTE NO: 12 OTHER CURRENT LIABILITIES:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Statutory Liabilities	10,150	140,945	278,552
(b) Expenses Payable	2,320,033	5,391,968	3,690,604
(c) Security deposits from customers	4,000,000	-	-
(d) Employee Benefits Payable	-	139,050	1,232,985
	6,330,183	5,671,963	5,202,141

NOTE NO: 13 OTHER INCOME:

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
(a) Liabilities no longer required	281,400	-
	281,400	-

NOTE NO: 14 EMPLOYEE BENEFITS EXPENSE:

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
(a) Salaries & Wages	226,985	1,606,180
(b) Workmen and staff welfare expenses	-	35,266
	226,985	1,641,446

NOTE NO: 15 OTHER EXPENSES:

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
(a) Rent	150,000	300,000
(b) Rate & Taxes	31,350	31,175
(c) Professional & Consultancy fee	155,000	23,000
(d) Audit Fee	29,500	8,625
(e) Business promotion	38,567	-
(f) Office Maintenance	138,259	55,841
(g) Printing & Stationary	4,650	22,824
(h) Communication Expenses	96,008	110,394
(i) Travelling and Conveyance	143,700	126,100
(j) Electricity Expenses	43,664	93,055
(k) Membership Fee	21,600	59,766
(l) Repairs & maintenance	-	24,650
(m) Postage & Courier	-	14,864
(n) Bank charges	1,150	345
	853,448	870,639

16. Related Party Disclosures

As per Ind As 24 the disclosure of transactions with the related parties are given below

a) Related Parties and nature of relationship:

Name of the related party	Nature of Relationship
DR Habeebullah Life Sciences Limited (Formerly known as PC Products India Limited)	Holding Company
K. Krishnam Raju	key managerial personnel
K.S.V.Kumari	key managerial personnel
Ameer Basha Paspala	key managerial personnel
Shwetha R Anthapur	key managerial personnel

b) Transactions with Related parties:

Name of the related party	Nature of Transaction	Year ended 31-03-2018 (Rupees)	Year ended 31-03-2017 (Rupees)
K. Krishnam Raju	Remuneration	---	24,00,000
	Demand loan taken	19,50,000	1,21,25,000
	Demand loan repaid	59,09,985	10,00,000
K.S.V.Kumari	Rent expenses	75,000	1,50,000
	Rent expenses	75,000	1,50,000
	Demand loan taken	5,00,000	15,55,000
Ameer Basha Paspala	Demand loan taken	65,00,000	---
DR Habeebullah Life Sciences Limited	Security deposit received	40,00,000	---
Shwetha R Anthapur	Salary paid	1,80,000	1,80,000

c) Related parties outstanding balances:

Name of the related party	Particulars	As at 31-03-2018 (Rupees)	As at 31-03-2017 (Rupees)
K. Krishnam Raju	Demand loan taken	5,23,50,000 Cr	5,63,09,985 Cr
	Rent payable	50,000Cr	50,000Cr
K.S.V.Kumari	Rent payable	50,000Cr	50,000Cr
	Demand loan taken	92,00,000 Cr	87,00,000 Cr
Ameer Basha Paspala	Demand loan taken	65,00,000 Cr	---
Shwetha R Anthapur	Salary payable	15,000 Cr	15,000 Cr
DR Habeebullah Life Sciences Limited	Security deposit received	40,00,000 Cr	---

KRISANI BIO SCIENCES PRIVATE LIMITED
Notes to accounts

17. Auditors remuneration:

PARTICULARS	2018-17 (Rupees)	2016-17 (Rupees)
Audit Fee	29,500	8,625
	-----	-----
Total	29,500	8,625
	=====	=====

18. The Board of Directors assess the financial performance of the Company and make strategic decisions and has been identified as being the Chief Operating Decision Maker (CODM). Based on the internal reporting provided to the CODM, the Company has only one reportable segment i.e. 'Pharma and Bio technology (R&D)' and hence no separate disclosures are required under Ind AS 108.

19. Earnings per share (EPS):

The details of number of Equity shares used in calculating Basic and Diluted earnings per share are set out below:

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Weighted average Equity shares for computing Basic EPS	1,14,33,200	1,14,33,200
Dilutive impact of employee stock options	---	---
Weighted average Equity shares for computing Diluted EPS	1,14,33,200	1,14,33,200

20. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	Year ended 31-03-2018 (Rupees)	Year ended 31-03-2017 (Rupees)
Profit before tax	(8,96,181)	(26,51,299)
Tax at the Indian tax rate	(2,76,920)	(8,19,251)
Tax effect on decrease in carry forward losses because of change in share holding	--	80,47,837
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income	(3,24,648)	--
Tax expense	(6,21,568)	72,28,586

21. The Company has not received any information from any of the supplier of their being Micro, Small and medium enterprises. Hence, the amounts due to Micro, Small and Medium enterprises outstanding as on 31-03-2018 was Rs. Nil
22. Balances in respect of trade payables, various advances and trade receivables are subject to confirmation from the respective parties.

KRISANI BIO SCIENCES PRIVATE LIMITED
Notes to accounts

- * Excludes financial assets measured at cost.
- The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below
- Level1 inputs - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level2 inputs - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level3 inputs - Unobservable inputs for the asset or liability.

As the company is not having significant influence, more recent information is not available to measure fair value and the investment was not material. Hence, the management has taken the cost as fair value.

23.3 Financial Risk Management

In course of its business, the company is exposed to certain financial risk such as market risk (Including currency risk and other price risks), credit risk and liquidity risk that could have significant influence on the company's business and operational/financial performance. The Board of directors reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

23.4 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The company makes an allowance for doubtful debts/advances using expected credit loss model.

23.5 Liquidity risk

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's exposure to liquidity risk is minimal.

24. First Time Ind As adoption Reconciliations

Effect of Ind As adoption on the balance sheet as at 31st March, 2017 and 1st April, 2016:

Assets & Liabilities	As at 31 st March, 2017			As at 1 st April, 2016		
	Previous GAAP	Effect of transition to Ind As	As per Ind As Balance sheet	Previous GAAP	Effect of transition to Ind As	As per Ind As Balance sheet
Non Current assets						
(a)Property, plant & equipment	46,32,449	-	46,32,449	58,87,029	-	58,87,029
(b)Intangible assets under development	14,85,47,731	-	14,85,47,731	13,65,61,750	-	13,65,61,750
(c) Financial assets						
Investments	75,000	-	75,000	75,000	-	75,000
(d) Deferred tax assets	30,09,437	-	30,09,437	1,02,38,023	-	1,02,38,023
Current assets						
(a)Inventories	13,033	-	13,033	95,233	-	95,233
(b)Financial assets						
(i)Cash and cash equivalents	35,760	-	35,760	1,86,438	-	1,86,438
TOTAL ASSETS	15,63,13,410	-	15,63,13,410	15,30,43,473	-	15,30,43,473
EQUITY AND LIABILITIES						
EQUITY						
(a)Equity share capital	11,43,32,000	-	11,43,32,000	11,43,32,000	-	11,43,32,000
(b)Other Equity	(2,89,81,938)	-	(2,89,81,938)	(1,91,02,053)	-	(1,91,02,053)
LIABILITIES						
Non Current Liabilities						
Provisions	2,81,400	-	2,81,400	2,81,400	-	2,81,400
Current Liabilities						
(a)Financial Liabilities						
(i)Borrowings	6,50,09,985	-	6,50,09,985	5,23,29,985	-	5,23,29,985
(b)Other current liabilities	56,71,963	-	56,71,963	52,02,141	-	52,02,141
TOTAL EQUITY AND LIABILITIES	15,63,13,410	-	15,63,13,410	15,30,43,473	-	15,30,43,473

Reconciliation of profit and other equity between Ind As and Indian GAAP:


Particulars	Net Profit	Other Equity	
	Year ended 31 st March, 2017	As at 31 st March, 2017	As at 1 st April, 2016
Net Profit/Other equity as per Indian GAAP	(98,79,885)	(2,89,81,938)	(1,91,02,053)
Add/Less: Adjustments	-	-	-
Net Profit before OCI/Other equity as per Ind As	(98,79,885)	(2,89,81,938)	(1,91,02,053)


KRISANI BIO SCIENCES PRIVATE LIMITED
Notes to accounts

Effect of Ind as adoption on the Statement of Profit and loss:

Particulars	Year ended 31 st March, 2017		
	Previous GAAP	Effect of transition to Ind As	As per Ind As
I. Revenue from operations	-	-	-
II. Other Income	-	-	-
III. Total Income (I+II)	-	-	-
EXPENSES			
Employee benefit expense	16,41,446	-	16,41,446
Depreciation and amortization Expense	1,39,214	-	1,39,214
Other expenses	8,70,639	-	8,70,639
Total expenses (IV)	2,651,299	-	2,651,299
Profit/(loss) before tax (III-IV)	(2,651,299)	-	(2,651,299)
Tax expense:			
(1) Current tax	-	-	-
(2) Deferred tax	72,28,586	-	72,28,586
Net profit for the period	(98,79,885)	-	(98,79,885)


As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants
Firm Registration No: 0057745

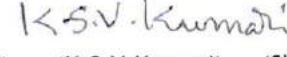

(Mahidhar.S.G)
Partner
Membership No. 216463




Place: Hyderabad
Date: 10-05-2018

for and on behalf of the Board
for Krisani Bio Sciences Private Limited


(K. Krishnam Raju) Director
DIN: 00874650


(K.S.V. Kumari) Director
DIN: 01870825


(Shwetha R Anthapur) Company Secretary
Membership No. A31416

