

KRISANI BIO SCIENCES PRIVATE LIMITED  
6-3-354/13/B2, FLAT NO. B2 SURYATEJA APARTMENTS  
HINDI NAGAR, PUNJAGUTTA, HYDERABAD 500034  
BALANCE SHEET AS AT 31st MARCH 2019

( Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I</b>	<b>ASSETS:</b>			
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2	2,214,649	3,419,935
	(b) Capital work-in-progress		-	-
	(c) Goodwill		-	-
	(d) Other Intangible Assets		-	-
	(e) Intangible Assets under development		156,214,797	152,166,663
	(f) Financial assets			
	(i) Investments	3	75,000	75,000
	(g) Deferred tax assets (net)	4	3,898,741	3,631,005
	(h) Other non-current assets		-	-
(2)	<b>Current assets</b>			
	(a) Inventories			
	(b) Financial assets			
	(i) Investments		-	-
	(ii) Trade receivables		-	-
	(iii) Cash and cash equivalents	5	80,108	124,930
	(iv) Bank Balances other than (iii) above		-	-
	(v) Loans and advances		-	-
	(vi) Investments held for Sale		-	-
	(c) Other current assets	6	163,269	38,099
	<b>TOTAL ASSETS</b>		<b>162,646,564</b>	<b>159,455,632</b>
<b>II</b>	<b>EQUITY AND LIABILITIES:</b>			
	<b>Equity</b>			
	(a) Equity Share Capital	7	114,332,000	114,332,000
	(b) Other Equity	8	(31,117,782)	(29,256,551)
	<b>Liabilities</b>			
(1)	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(b) Provisions		-	-
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	9	65,940,000	68,050,000
	(ii) Trade Payables			
	a) Total outstanding dues to micro and small enterprises		-	-
	b) Outstanding dues to creditors other than micro and small enterprises		-	-
	(iii) Other financial liabilities		-	-
	(b) Other current liabilities	10	13,492,346	6,330,183
	(c) Provisions		-	-
	(d) Current tax liabilities(Net)		-	-
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>162,646,564</b>	<b>159,455,632</b>
	Significant accounting policies and notes to accounts	1 to 21		

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


  
(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 : 10-05-2019



KRISANI BIO SCIENCES PRIVATE LIMITED  
6-3-354/13/B2, FLAT NO. B2 SURYATEJA APARTMENTS  
HINDI NAGAR, PUNJAGUTTA, HYDERABAD 500034  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019

(Amount in Rs.)

PARTICULARS		Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
I	Revenue from operations		-	-
II	Other Income	11	-	281,400
III	Total Income (I+II)		-	281,400.00
IV	Expenses:			
	Employee Benefits Expense	12	1,190,123	226,985
	Depreciation and amortization expense	2	89,920	97,148
	Other expenses	13	848,924	853,448
	Total Expenses		2,128,967	1,177,581
V	Profit before tax (III-IV)		(2,128,967)	(896,181)
VI	Tax Expense			
	- Current tax		-	-
	- Deferred tax		(267,736)	(621,568)
VII	Profit for the period (V-VI)		(1,861,231)	(274,613)
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)		(1,861,231)	(274,613)
X	Earnings per equity share: (Equity shares of par value of Rs.10/- each)			
	- Basic		(0.16)	(0.02)
	- Diluted		(0.16)	(0.02)
Significant accounting policies and notes to accounts		1 to 21		

As per our report of even date  
for Visweswara Rao & Associates  
Chartered Accountants

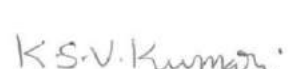
Firm Registration No: 005774S


  
(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 : 10-05-2019



KRISANI BIO SCIENCES PRIVATE LIMITED  
Statement of Changes in Equity  
For the year ended 31 March 2019

a. Equity share capital

(Amount in Rs.)

	Amount
Balance as at the 1 April 2017	114,322,000
Changes in equity share capital during 2017-18	-
Balance as at the 31 March 2018	114,322,000
Changes in equity share capital during 2018-19	-
Balance as at the 31 March 2019	114,322,000

b. Other equity

(Amount in Rs.)

	Reserves and surplus		Items of Other comprehensive income (OCI)	Total
	Securities Premium Reserve		Others	
Balance at 1 April 2017	2,313,000	(31,294,938)	-	(28,981,938)
Total comprehensive income for the year ended 31 March 2017				
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 directly in equity	-	-	-	-
Balance at 31 March 2018	2,313,000	(31,569,551)	-	(29,256,551)
Total comprehensive income for the year ended 31 March 2018				
Profit or loss	-	(1,861,231)	-	(1,861,231)
Other comprehensive income(net of tax)	-	-	-	-
Total comprehensive income	-	(1,861,231)	-	(1,861,231)
Transactions with owners in their capacity as owners	-	-	-	-
Balance at 31 March 2019	2,313,000	(33,430,782)	-	(31,117,782)

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 : 10-05-2019





KRISANI BIO SCIENCES PRIVATE LIMITED  
6-3-354/13/B2, FLAT NO. B2 SURYATEJA APARTMENTS  
HINDI NAGAR, PUNJAGUTTA, HYDERABAD 500034  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2019

PARTICULARS	Year ended 31-03-2019 Amount in Rs.	Year ended 31-03-2018 Amount in Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax	(2,128,967)	(896,181)
<b>Adjustment for:</b>		
Depreciation and Amortisation	89,920	97,148
Interest Expenses	-	-
Interest Earned	-	-
Cash Flows from Operations before changes in assets and liabilities	(2,039,047)	(799,033)
<b>Adjustment for changes in:</b>		
(Increase)/ Decrease in trade receivables	-	-
(Increase)/Decrease in loans & advances	(125,170)	(38,099)
(Increase) / Decrease in Inventories	-	13,033
(Increase) / Decrease in Trade Payables	-	-
Increase/(Decrease) in Liabilities and Provisions	7,162,163	376,820
Income Tax Paid	-	-
<b>Net cash from operating activities(A)</b>	<b>4,997,946</b>	<b>(447,279)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in Fixed assets and Capital Work In progress	(2,932,768)	(2,503,566)
Bank Balances not considered as Cash and Cash equivalents		
-Deposits Placed	-	-
<b>Net cash used in Investing activities (B)</b>	<b>(2,932,768)</b>	<b>(2,503,566)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Share Capital	-	-
Increase / (Decrease) in Borrowings	(2,110,000)	3,040,015
Interest paid	-	-
<b>Net cash Flow from Financing Activities ( C )</b>	<b>(2,110,000)</b>	<b>3,040,015</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents [A+B+C]</b>	<b>(44,822)</b>	<b>89,170</b>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	124,930	35,760
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	<b>80,108</b>	<b>124,930</b>



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) (K.S.V.Kumari) (Shwetha R Anthapur)  
Director Director Company Secretary  
DIN: 00874650 DIN: 01870825 Membership No. A31416



Place: Hyderabad  
Date : 10-05-2019

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 31 March 2018	690,649	540,815	8,942,338	335,939	10,509,741
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31 March 2019	690,649	540,815	8,942,338	335,939	10,509,741
Accumulated depreciation					
Balance at 31 March 2018	664,410	395,578	5,693,879	335,939	7,089,806
Depreciation for the year	26,239	63,681	1,115,366	-	1,205,286
Balance at 31 March 2019	690,649	459,259	6,809,245	335,939	8,295,092
Carrying amounts(net)					
At 31 March 2018	26,239	145,237	3,248,459	-	3,419,935
At 31 March 2019	-	81,556	2,133,093	-	2,214,649

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, 2019	As at March 31, 2018
	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
	<b>75,000</b>	<b>75,000</b>

## NOTE NO: 4 DEFERRED TAX ASSETS (Net):

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
Opening Deferred Tax asset	3,631,005	3,009,437
Deferred tax asset/(liability) to P&L for the year	267,736	621,568
Deferred tax asset to OCI for the year	-	-
Closing Deferred tax asset	<b>3,898,741</b>	<b>3,631,005</b>

## Component of Deferred tax asset / (liabilities)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
Deferred tax asset / (liabilities) in relation to:		
Property, plant & equipment	131,306	(70,769)
Carry forward Losses	3,473,669	3,352,644
Future allowable Expenses	293,766	349,130
	<b>3,898,741</b>	<b>3,631,005</b>

## NOTE NO: 5 CASH AND CASH EQUIVALENTS:

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
(a) Balance with banks	63,343	89,930
(b) Cheques in Hand	-	-
(c) Cash on Hand	16,765	35,000
	<b>80,108</b>	<b>124,930</b>

## NOTE NO: 6 OTHER CURRENT ASSETS:

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
(a) GST Receivable	163,269	38,099
	<b>163,269</b>	<b>38,099</b>

NOTE NO: 8 OTHER EQUITY

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
(a) Securities Premium:	2,313,000	2,313,000
(b) Retained earnings:		
Opening balance	(31,569,551)	(31,294,938)
(+) Net profit during the year	(1,861,231)	(274,613)
Closing balance	(33,430,782)	(31,569,551)
(c) Other Comprehensive income:	-	-
Total (a+b+c)	(31,117,782)	(29,256,551)

NOTE NO: 9 BORROWINGS:

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
Un Secured Loans from Directors	65,940,000	68,050,000
	65,940,000	68,050,000

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

NOTE NO: 10 OTHER CURRENT LIABILITIES:

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
(a) Statutory Liabilities	34,838	10,150
(b) Expenses Payable	5,991,458	2,320,033
(c) Advances and Security deposits from customers	7,466,050	4,000,000
	13,492,346	6,330,183



## NOTE NO: 11 OTHER INCOME:

PARTICULARS	Year ended March 31, 2019	Year ended March 31, 2018
	Amount in Rs.	Amount in Rs.
(a) Liabilities no longer required	-	281,400
	-	281,400

## NOTE NO: 12 EMPLOYEE BENEFITS EXPENSE:

PARTICULARS	Year ended March 31, 2019	Year ended March 31, 2018
	Amount in Rs.	Amount in Rs.
(a) Salaries & Wages and other benefits	1,190,123	226,985
	1,190,123	226,985

## NOTE NO: 13 OTHER EXPENSES:

PARTICULARS	Year ended March 31, 2019	Year ended March 31, 2018
	Amount in Rs.	Amount in Rs.
(a) Rent	-	150,000
(b) Rate & Taxes	26,700	31,350
(c) Audit Fee	29,500	29,500
(d) Professional Charges	709,886	193,567
(e) Office Maintenance	7,500	138,259
(f) Printing & Stationary	5,735	4,650
(g) Telephone and Internet Expense	32,424	96,008
(h) Travelling and Conveyance	28,571	143,700
(i) Electricity Expenses	-	43,664
(j) Membership Fee	-	21,600
(k) Foreign exchange loss	1,115	-
(l) Bank charges	7,493	1,150
	848,924	853,448



**Deferred Taxation:**

Net Block as per Companies Act	2,214,649
W.D.V.as per Income Tax Act	2,719,671
Deferred tax Liability	<u>(505,022)</u>
Amount allowable U/Sec.35D for future years	1,129,871
Carry forward Losses	13,360,265
Retirement benefits	-
Deferred tax asset	<u>14,490,136</u>
Net Deferred Tax Asset	14,995,158
Deferred Tax @ 30%	3,748,789
Education Cess @ 3%	149,952
Total Deferred Tax Asset	<b>3,898,741</b>
Opening Deferred Tax Asset	3,631,005
Deffered tax impact	-
Provided during the financial year	267,736

KRISANI BIO SCIENCES PRIVATE LIMITED

Notes to accounts

NOTE NO: 7: EQUITY SHARE CAPITAL:

PARTICULARS	As At March 31,2019		As At March 31,2018	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised Equity Shares of Rs. 10/- each	15,000,000	150,000,000	150,000,000	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
<b>Total</b>	<b>11,433,200</b>	<b>114,332,000</b>	<b>11,433,200</b>	<b>114,332,000</b>

Foot note:

(a) Reconciliation of the number of shares outstanding as at March 31, 2019 and March 31, 2018:

PARTICULARS	As At March 31,2019		As At March 31,2018	
	Number	Amount in Rs.	Number	Rs. In lakhs
Equity Shares outstanding at the beginning of the year	11,433,200	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

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

PARTICULARS	As At March 31,2019		As At March 31,2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1 DR Habeebullah Life Sciences Limited	5,868,200	51.33%	5,868,200	51.33%
2 K.MAHESH	3,975,000	34.77%	3,975,000	34.77%

(c) Details of Shareholding by Holding company:

PARTICULARS	As At March 31,2019		As At March 31,2018	
	No. of Shares held	% of Holding	No. of Shares	% of Holding
1 DR Habeebullah Life Sciences Limited	5,868,200	51.33%	5,868,200	51.33%

(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.

KRISANI BIO SCIENCES PRIVATE LIMITED

ASSESSMENT YEAR 2019-20

DEPRECIATION STATEMENT UNDER SECTION 32 OF INCOME TAX

S.NO.	PARTICULARS	RATE	WDV AS ON 01.04.2018	ADDITIONS Rs.		DELETIONS	TOTAL Rs.	DEPRECIATION FOR THE YEAR Rs.	WDV AS ON 31.03.2019
				ABOVE 6 MONTHS	BELOW 6 MONTHS				
1	LAB EQUIPMENT	15%	2,843,547	-	-	-	2,843,547	426,532	2,417,015
2	COMPUTERS	40%	17,713	-	-	-	17,713	7,085	10,628
3	FURNITURE & FIXTURES	10%	236,526	-	-	-	236,526	23,653	212,873
4	OFFICE EQUIPMENT	15%	93,123	-	-	-	93,123	13,968	79,155
			<b>3,190,909</b>	-	-	-	<b>3,190,909</b>	<b>471,238</b>	<b>2,719,671</b>

## 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.

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 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.

#### b) 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).

## 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

The Company recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

##### 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.



14. 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	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 31-03-2019 (Rupees)	Year ended 31-03-2018 (Rupees)
K. Krishnam Raju	Demand loan taken	10,90,000	19,50,000
	Demand loan repaid	33,00,000	59,09,985
	Rent expenses	---	75,000
K.S.V.Kumari	Rent expenses	---	75,000
	Demand loan taken	1,00,000	5,00,000
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 31-03-2019 (Rupees)	As at 31-03-2018 (Rupees)
K. Krishnam Raju	Demand loan taken	5,01,40,000 Cr	5,23,50,000 Cr
	Rent payable	50,000 Cr	50,000Cr
K.S.V.Kumari	Rent payable	50,000 Cr	50,000Cr
	Demand loan taken	93,00,000 Cr	92,00,000 Cr
Ameer Basha Paspala	Demand loan taken	65,00,000 Cr	65,00,000 Cr
Shwetha R Anthapur	Salary payable	30,000 Cr	15,000 Cr
DR Habeebullah Life Sciences Limited	Security deposit received	40,00,000 Cr	40,00,000 Cr

15. Auditors remuneration:

PARTICULARS	2018-19 (Rupees)	2017-18 (Rupees)
Audit Fee	29,500	29,500
	-----	-----
<b>Total</b>	<b>29,500</b>	<b>29,500</b>
	=====	=====

16. 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.

17. 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 31-03-2019	Year ended 31-03-2018
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

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

Particulars	Year ended 31-03-2019 (Rupees)	Year ended 31-03-2018 (Rupees)
Profit before tax	(21,28,967)	(8,96,181)
Tax at the Indian tax rate	(5,53,531)	(2,76,920)
Tax effect of difference in tax rates	5,75,790	--
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income	(2,89,995)	(3,24,648)
<b>Tax expense</b>	<b>(2,67,736)</b>	<b>(6,21,568)</b>

19. 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 31-03-2019 was Rs. Nil
20. Balances in respect of trade payables, various advances and trade receivables are subject to confirmation from the respective parties.

## 21. Financial Instruments

### 21.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of equity balance.

The company manages its operations from its capital, accumulated reserves and interest free loans from directors. There are no outside borrowings except interest free loans from directors as on 31.03.2019.

The Company's board of directors review the capital structure of the company on a periodical basis.

### 21.2 Financial instruments Valuation

All financial instruments are initially recognized at cost and subsequently re-measured at fair value as given below in the table:

Particulars	As at 31 <sup>st</sup> March,2019	Level of Input used			As at 31 <sup>st</sup> March,2018	Level of Input used		
	Carrying amount	1	2	3		1	2	3
<b>Financial Assets</b>								
<b>At Amortized Cost</b>								
Cash and Bank Balances	80,108	-	-	-	1,24,930	-	-	-
<b>Financial Liabilities</b>								
<b>At Amortized Cost</b>								
Borrowings	6,59,40,000	-	-	-	6,80,50,000	-	-	-

- 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.

### 21.3 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.

### 21.4 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, 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.

**KRISANI BIO SCIENCES PRIVATE LIMITED**  
Notes to accounts

**21.5 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 pre requirements. The Company's exposure to liquidity risk is minimal.

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


  
(Mahidhar.S.G)  
Partner

Membership No. 216463

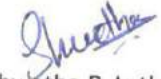
Place: Hyderabad  
Date: 10-05-2019



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

