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chartered accountants

INDEPENDENT AUDITORS' REPORT

To, The Members of Advanced Enzytech Solutions Limited,

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flaws and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards of Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinion

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

Report on Other Legal & Regulatory Requirement

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

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

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

c) The Balance Sheet, the Statement of profit and loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.

a) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to

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i. The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018

For Desai Associates
Chartered Accountants
FRN: - 102286W

Shree Gopal Didwaniya
Partner
Membership No.: 139202

Place: Mumbai
Date: 16/05/2018

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"Annexure A" to the Independent Auditors' Report

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

1) In respect of Company's fixed assets:

   a) The company has maintained proper records and full particulars, including quantitative details and situation of fixed assets.

   b) The company has the program of verification of fixed assets to cover all the items in a phased manner, which, in our opinion is reasonable having regards to the size of the company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the period. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   b) The company does not have any Immovable properties. Thus, paragraph 3 (i) (c) of the order is not applicable to the company.

2) The physical verification of inventory has been conducted at reasonable intervals by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records been appropriately dealt with in the books of account. In our opinion the frequency of verification is reasonable.

3) The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, guarantees and securities given during the year.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise,

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

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

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

8) In our opinion and according to the information and explanations given to us, The Company does not have borrowing from financial institution, banks, and government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided during the year. Thus, paragraph 3 (xi) of the Order is not applicable.;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

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

For Desai Associates
Chartered Accountants
FRN.102286W

Shree Gopal Didwaniya
Partner
Membership No.: 139202

Place: Mumbai
Date: 16/05/2018

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ANNEXURE B

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Desai Associates
Chartered Accountants
FRN.102286W

Shree Gopal Didwaniya
Partner
Membership No.139202

Place: Mumbai
Date: 16/05/2018

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Advanced Enzytech Solutions Limited
CIN: U24200MH2008PLC186383
Balance Sheet
as at 31 March 2018

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	3	**268,904**	238,386	290,476
(b) Financial Assets				
(i) Loans	4	**145,350**	145,350	145,350
(c) Deferred tax assets (net)	5	**1,838,191**	1,611,744	2,619,725
(d) Income tax asset		**-**	169,000	-
Total non-current assets		**2,252,445**	2,164,480	3,055,551
(2) Current Assets				
(a) Inventories	6	**5,710,709**	8,146,388	8,440,361
(b) Financial Assets				
(i) Trade receivables	7	**35,574,353**	31,790,983	32,798,935
(ii) Cash and cash equivalents	8	**853,170**	1,846,017	351,162
(c) Other current assets	9	**5,919,834**	9,708,810	9,060,317
Total current assets		**48,058,066**	51,492,198	50,650,775
Total assets		**50,310,511**	53,656,678	53,706,326
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	10	**700,000**	700,000	700,000
(b) Other equity				
1.1 Other Reserves	11	**38,759,836**	32,915,515	25,982,256
Total equity		**39,459,836**	33,615,515	26,682,256
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings				
(ii) Trade payables	12	**5,225,739**	13,827,377	22,528,588
(iii) Other financial Liabilities	13	**3,787,198**	4,411,233	4,252,121
(b) Other current liabilities	14	**1,678,200**	1,802,553	133,361
(c) Provisions	15	**138,003**	-	-
(d) Liabilities for current tax (net)		**21,535**	-	110,000
Total Current liabilities		**10,850,675**	20,041,163	27,024,070
Total liabilities		**50,310,511**	53,656,678	53,706,326

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

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

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

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

Chandrakumar Rathi
Director
DIN: 00365691

Savita Rathi
Director
DIN: 00365717

Place : Thane
Date : 16/05/2018

Advanced Enzytech Solutions Limited
CIN: U24200MH2008PLC186383
Statement of Profit and Loss
for the period ended 31 March 2018

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

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

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

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

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

Chandrakumar Rathi — *Director* — DIN: 00365691
Savita Rathi — Director — DIN: 00365717
Place : Thane
Date : 16/05/2018

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

(a) Equity share capital (refer note 10)	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	100,000	1,000,000	100,000	1,000,000	100,000	1,000,000
Changes in equity share capital during the year						
Balance at the end of the year	100,000	1,000,000	100,000	1,000,000	100,000	1,000,000

(b) Other equity (refer note 11)

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

General Reserve

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

Remeasurements of Defined Benefit Plans

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

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

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

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

desai associates Chartered Accountants MUMBAI

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

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

Savita Rathi
Director
DIN: 00365717

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

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

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

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

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

desai associates MUMBAI Chartered Accountants

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

Chandrakumar Rathi | Savita Rathi
Director | Director
DIN: 00365691 | DIN: 00365717
Place : Thane
Date : 16/05/2018

Advanced Enzytech Solutions Limited

CIN: U24200MH2008PLC186383

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

1 Overview of the Company

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

2 Basis of preparation of financial statements

Statement of compliance

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

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

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

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

Functional and presentation currency

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

Basis of measurement

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

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

2A Use of estimates

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

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

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

a. Property, plant and equipment

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

b. Recognition and measurement of defined benefit obligations

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

c. Recognition of deferred tax assets

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

Measurement of fair values

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

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

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

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

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

2B Significant accounting policies:

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

a. Revenue recognition

i. Sale of goods is recognized as revenue when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates

ii. Interest income is recognized on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

b. Property, plant and equipment and depreciation

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

ii. Subsequent expenditure related to an item of tangible assets are added to its book value only if they increase the future benefits from the exisiting asset beyond its previously assessed standard of performance.

iii. Capital work-in-progress includes fixed assets not ready for their intended use and related incidental expenses and attributable interest.

iv. The estimated useful life of assets are as follows:

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

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

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

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

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

c. Impairment of Property, plant and equipments

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

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

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

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

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