INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors
Advanced Enzymes, Malaysia Sdn. Bhd., Malaysia

Independent Auditor's Report on Financial Statements of Advanced Enzymes, Malaysia Sdn. Bhd. ('the Company')

Opinion

We have audited the accompanying Ind AS financial statements of **Advanced Enzymes, Malaysia Sdn. Bhd.** ('the Company'), which comprise the Balance sheet as at 31 March 2019, Statements of profit and loss, the Statement of Cash Flows and the Statement of changes in equity for the year then ended.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 standalone financial statements that give a true and fair view of the financial position, financial performance, and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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.

MANOJ KUMAR SHARMA & ASSOCIATES
THANE

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Other information

The Company's Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. We conducted our audit in accordance 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 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Company's management, as well as evaluating the overall presentation of the Ind AS financials statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

MANOJ KUMAR SHARMA & ASSOCIATES
THANE

Emphasis of matter

The accompanying financial information has been prepared in both Indian rupees and Malaysian ringgit. The financial information in Malaysian ringgit is prepared solely for the purpose of filing Annual Performance Report with the Reserve Bank of India("RBI") as per guidelines prescribed by RBI and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. We have verified the arithmetic accuracy of the presentation of the financial information. We did not audit and do not express an opinion on such information, and our opinion is not modified with respect to this matter.

For Manoj Kumar Sharma & Associates
Chartered Accountants

Manoj Sharma

MANOJ KUMAR SHARMA & ASSOCIATES
THANE

Manoj Kumar Sharma
M. No.: 155859
FRN: 137265W

Place: Mumbai
Date: 16 May 2019

Advanced Enzymes, Malaysia Sdn. Bhd.
Balance Sheet
as at 31 March 2019

	Notes	As at 31 March 2019 (in RM)	As at 31 March 2019 (in INR)	As at 31 March 2018 (in RM)	As at 31 March 2018 (in INR)
I. ASSETS					
(1) Non-current assets					
(a) Property, Plant and Equipment	2	22,696	3,84,630	55,953	9,42,414
Total non current assets		**22,696**	**3,84,630**	**55,953**	**9,42,414**
(2) Current Assets					
(a) Financial Assets					
(i) Trade receivables	3	65,112	11,03,433	-	-
(ii) Cash and cash equivalents	4	29,766	5,04,431	90,220	15,19,577
(iii) Loans	5	20,600	3,49,104	20,600	3,46,968
		1,15,477	**19,56,969**	**1,10,820**	**18,66,544**
Total		**1,38,173**	**23,41,599**	**1,66,772**	**28,08,958**
II. EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity share capital	6	5,00,000	83,81,300	4,00,000	66,04,300
(b) Other equity	7	(7,47,108)	(1,25,68,998)	(4,64,432)	(75,91,870)
		(2,47,108)	**(41,87,698)**	**(64,432)**	**(9,87,570)**
Total equity		**(2,47,108)**	**(41,87,698)**	**(64,432)**	**(9,87,570)**
(2) Non current liabilities					
(a) Financial liabilities					
(i) Borrowings	8	3,14,426	53,28,513	2,00,707	32,82,847
Total non current liabilities		**3,14,426**	**53,28,513**	**2,00,707**	**32,82,847**
(2) Current liabilities					
(a) Financial liabilities					
(i) Other financial Liabilities	9	43,262	7,33,161	10,249	1,72,622
(b) Other current liabilities	10	27,594	4,67,622	20,249	3,41,059
Total Current liabilities		**70,856**	**12,00,783**	**30,498**	**5,13,681**
Total liabilities		**3,85,281**	**65,29,296**	**2,31,205**	**37,96,528**
Total		**1,38,174**	**23,41,599**	**1,66,772**	**28,08,958**

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

This is the balance sheet referred to in our report of even date
For Manoj Kumar Sharma & Associates
Chartered Accountants
Firm Registration no. 137265W

Manoj Kumar Sharma
Proprietor
M. No.: 155859
Place : Mumbai
Date : 16 May 2019

For and on behalf of Board of Directors of
Advanced Enzymes, Malaysia Sdn. Bhd.

Mukund Kabra
Director

Place : Thane
Date: 16 May 2019

Abhijit Rathi
Director

Place : Thane

Advanced Enzymes, Malaysia Sdn. Bhd.
Statement of Profit and Loss
for the year ended 31 March 2019

	Notes	For the year ended 31 March 2019 (in RM)	For the year ended 31 March 2019 (in INR)	For the year ended 31 March 2018 (in RM)	For the year ended 31 March 2018 (in INR)
Income:					
Revenue from contracts with customers		-	-	-	-
Other income	11	1,85,361	31,31,673	172	2,745
Total income		**1,85,361**	**31,31,673**	**172**	**2,745**
Expenses:					
Employee benefit expenses	12	3,11,943	52,70,274	2,76,990	44,20,894
Finance costs	13	3,719	62,829	3,512	1,50,307
Depreciation and amortisation expense	14	33,256	5,61,863	22,347	3,56,669
Other expenses	15	1,19,118	20,12,502	86,661	13,83,149
Total expenses		**4,68,037**	**79,07,469**	**3,89,510**	**63,11,020**
Profit before tax		**(2,82,675)**	**(47,75,796)**	**(3,89,338)**	**(63,08,275)**
Tax expense					
Current tax		-	-	-	-
Tax adjustment for earlier years		-	-	-	-
Net Current tax		-	-	-	-
Deferred tax		-	-	-	-
Profit for the year		**(2,82,675)**	**(47,75,796)**	**(3,89,338)**	**(63,08,275)**
Other comprehensive income / (loss) for the year, net of tax		-	-	-	-
Total comprehensive income for the period		**(2,82,675)**	**(47,75,796)**	**(3,89,338)**	**(63,08,275)**
Earnings per equity share	18				
Basic		(0.66)	(11.16)	(5.14)	(83.29)
Diluted		(0.66)	(11.16)	(5.14)	(83.29)

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

This is the balance sheet referred to in our report of even date
For Manoj Kumar Sharma & Associates
Chartered Accountants
Firm Registration no. 137265W

Manoj Sharma

Manoj Kumar Sharma
Proprietor
M. No.: 155859
Place : Mumbai
Date : 16 May 2019

For and on behalf of Board of Directors of
Advanced Enzymes, Malaysia Sdn. Bhd.

M. W. Kabra

Mukund Kabra
Director
Place : Thane
Date: 16 May 2019

Abhijit Rathi
Director
Place : Thane

Advanced Enzymes, Malaysia Sdn. Bhd.
(All amounts are stated in Indian Rupees, unless otherwise stated)
Statement of Changes in Equity (SOCIE)
for the year ended 31 March 2019

(a) Equity share capital (refer note 6)	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,00,000	66,04,300	50,000	7,31,955
Changes in equity share capital during the year	1,00,000	17,77,000	3,50,000	58,72,345
Balance at the end of the year	**5,00,000**	**83,81,300**	**4,00,000**	**66,04,300**

(b) Other equity (refer note 7)

Particulars	Reserves & Surplus	Other Comprehensive Income	Total Equity
	Retained earnings	Foreign currency translation reserve	
Balance at 3 July 2017	**(11,04,382)**	**(5,145)**	**(11,09,527)**
Profit for the year	(63,08,275)	-	(63,08,275)
Other comprehensive income for the year	-	(1,74,069)	(1,74,069)
Total comprehensive income for the year	**(63,08,275)**	**(1,74,069)**	**(64,82,344)**
Balance at 31 March 2018	**(74,12,657)**	**(1,79,213)**	**(75,91,870)**
Profit for the year	(47,75,796)	-	(47,75,796)
Other comprehensive income for the year	-	(2,01,332)	(2,01,332)
Total comprehensive income for the year	**(47,75,796)**	**(2,01,332)**	**(49,77,127)**
Balance at 31 March 2018	**(1,21,88,453)**	**(3,80,545)**	**(1,25,68,998)**

Nature and component of equity:
1. Foreign currency translation reserve
This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

For Manoj Kumar Sharma & Associates
Chartered Accountants
Firm Registration no. 137265W

Manoj Sharma

Manoj Kumar Sharma
Proprietor
M. No.: 155859
Place : Mumbai
Date : 16 May 2019

For and on behalf of Board of Directors of
Advanced Enzymes, Malaysia Sdn. Bhd.

M.W.Kabra

Mukund Kabra
Director

Place : Thane
Date: 16 May 2019

Abhijit Rathi
Director

Place : Thane

Advanced Enzymes, Malaysia Sdn. Bhd.
Cash Flow Statement for the year ended 31 March 2019

	31 March 2019		31 March 2018	
	(in RM)	(in INR)	(in RM)	(in INR)
A. Cash flow from operating activities :				
Net loss before tax	(2,82,675)	(47,75,795)	(3,89,338)	(62,14,016)
Adjustment for :				
Depreciation	33,256	5,61,863	22,347	3,56,669
Unrealised foreign exchange loss	(11,066)	(1,86,966)	-	-
	22,190	**3,74,897**	**22,347**	**3,56,669**
Operating Cash Flows before Working Capital Changes	**(2,60,486)**	**(44,00,898)**	**(3,66,991)**	**(58,57,347)**
Changes in working capital:				
Current loans	-	-	(20,300)	(3,23,998)
Trade Receivables	(65,112)	(11,00,058)	-	-
Other Current Financial liabilities	33,014	5,57,765	(16,131)	(2,57,457)
Other Current Liabilities	7,344	1,24,082	20,249	3,23,187
	(24,754)	**(4,18,211)**	**(16,182)**	**(2,58,268)**
Cash generated from operations	**(2,85,239)**	**(48,19,109)**	**(3,83,172)**	**(61,15,615)**
Direct Taxes paid	-	-	-	-
Net Cash Flow from Operating Activities	**(2,85,239)**	**(48,19,109)**	**(3,83,172)**	**(61,15,615)**
B. Cash flow from investing activities				
Purchase of tangible assets	-	-	(78,300)	(12,49,698)
Net Cash (Used) / generated in Investing Activities	**-**	**-**	**(78,300)**	**(12,49,698)**
C. Cash flow from financing activities				
Proceeds from issue of share capital	1,00,000	17,77,000	3,50,000	55,86,168
(Repayment of)/ proceeds from long-term borrowings (net)	1,24,785	21,08,243	2,00,707	32,03,375
Net Cash (Used) / generated in Financing Activities	**2,24,785**	**38,85,243**	**5,50,707**	**87,89,543**
Net increase/(decrease) in cash and cash equivalents	**(60,454)**	**(9,33,867)**	**89,235**	**14,24,230**
Cash and cash equivalents as at the beginning of the year	90,220	15,19,577	985	15,717
Effect of exchange rate changes on cash and cash equivalents held	-	(81,279)	-	79,629
Cash and cash equivalents as at the end of the year	**29,766**	**5,04,431**	**90,220**	**15,19,577**

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".

As per our attached Report of even date
For Manoj Kumar Sharma & Associates
Chartered Accountants
Firm Registration no. 137265W

Manoj Sharma

Manoj Kumar Sharma
Proprietor
M. No.: 155859
Place : Mumbai
Date : 16 May 2019

For and on behalf of Board of Directors of
Advanced Enzymes, Malaysia Sdn. Bhd.

M.M. Kabra

Mukund Kabra
Director

Place : Thane
Date: 16 May 2019

Abhijit Rathi

Abhijit Rathi
Director

Place : Thane

Advanced Enzymes, Malaysia Sdn. Bhd.
Notes to the Financial Statements for the year ended 31 March 2019

1 Overview of the Company

Advanced Enzymes, Malaysia Sdn. Bhd. ("the Company") was incorporated on 9 May 2016 and is primarily engaged marketing of enzymes related to palm oil extraction.

1A 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 of the Company for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 16 May 2019

Functional and presentation currency

These financial statements are presented in Indian rupees, the Company's functional currency is Ringgit Malaysia (RM).

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.

1B 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 2019 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 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.

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.

- 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.

1C Significant accounting policies:

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

a. Revenue recognition

Effective 1 April 2018 the Company has applied Ind AS 115 "Revenue from contracts with customers" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method and the comparative information in the statement of profit and loss is not restated – i.e., the comparative information continues to be reported under Ind AS 18. Refer Note 1C(a) – Significant accounting policies – Revenue recognition in the Annual Report of the Company for the year ended 31 March 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

The following is a summary of significant accounting policies related to revenue recognition:

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customers.

Use of significant judgements in revenue recognition.

• Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as turnover/product/prompt payment discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

• The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
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:

Furniture and fixtures	10 years
Office equipment	5 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.

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.

d. Inventories

i. Stock in trade is valued at lower of cost and net reliasable value. Cost is determind on weighted average cost method, which is determined on their specific individual costs which includes only purchase cost.

e. Employee benefits

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

f. Income taxes

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

Current tax

Current tax is computed and provided for in accordance with the regulations applicable to the Company.

g. Deferred tax

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

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

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

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

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

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

Minimum Alternate Tax(MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

h. Borrowing costs

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

i. Provisions and contingencies

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

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