Metahelix Life Sciences Limited

Standalone Ind AS Financial Statements together with the Independent Auditors' Report for the year ended 31 March 2018

Metahelix Life Sciences Limited

Standalone Ind AS financial statements together with the Independent Auditors' Report

for the year ended 31 March 2018

Contents

B S R & Co. LLP
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Independent Auditor's Report

To The Members of Metahelix Life Sciences Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Metahelix Life Sciences Limited ("the Company"), which comprise the standalone Balance Sheet as at 31 March 2018, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements).

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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.

Auditor's Responsibility

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

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

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

Independent Auditor's Report *(Continued)*

Metahelix Life Sciences Limited

Auditor's Responsibility *(Continued)*

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

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

Other Matters

The audited Standalone Ind AS financial statements of the Company for the corresponding year ended 31 March 2017 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditors whose audit report dated 19 April 2017 expressed an unmodified opinion on those audited standalone Ind AS financial statements.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, we report that:

   a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

Independent Auditor's Report *(Continued)*

Metahelix Life Sciences Limited

Report on Other Legal and Regulatory Requirements *(Continued)*

2. As required by Section 143(3) of the Act, we report that: *(Continued)*

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

   c) the standalone Balance Sheet, the standalone Statement of Profit and Loss and other comprehensive income, the standalone statement of Cash Flows and standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act;

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

   f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

   g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements (Refer note 28 (a) and (b) to the standalone Ind AS financial statements);

      ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

      iv. The disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
20 April 2018

Metahelix Life Sciences Limited

Annexure A to the Independent Auditors' Report – 31 March 2018

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of Metahelix Life Sciences Limited ("the Company") for the year ended 31 March 2018, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified by the management every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified all its property, plant and equipment during the year and no material discrepancies were noticed on such verification and have been dealt with in the books of accounts.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 4 to the standalone Ind AS financial statements, are held in the name of the Company.

(ii) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and book stock were not material and have been dealt with in books of accounts.

(iii) According to the information and explanations given to us the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company does not have any transactions to which the provisions of Section 185 apply. The Company has complied with the provisions of Section 186 of the Act, with respect to the investments made.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section 148 (1) of the Act for any of the products sold and services rendered by the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including income-tax, provident fund, profession tax, employee's state insurance, service tax, sales tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise and wealth tax.

Metahelix Life Sciences Limited

Annexure A to the Independent Auditors' Report *(Continued)*

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, provident fund, profession tax, employee's state insurance, service tax, sales tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(vii) (b) According to the information and explanations given to us, there are no dues of sales tax, service tax, duty of customs as at 31 March 2018, which have not been deposited with the appropriate authorities on account of any disputes, except for dues related to income tax and value added tax as given below:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates (AY)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	939.72 (174.00)	2013-2014	CIT Appeals
Income Tax Act, 1961	Income Tax	2,172.33 (535.88)	2014-2015	CIT Appeals

Note: The amount in parenthesis represents payment made under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to the banks. The Company did not have any outstanding dues to any financial institutions, Government or debenture holders during the year.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Ind AS.

Metahelix Life Sciences Limited

Annexure A to the Independent Auditors' Report *(Continued)*

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
20 April 2018

Annexure - B to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Metahelix Life Sciences 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 Metahelix Life Sciences Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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 Act, 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 ICAI. 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 controls 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.

Annexure - B to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Metahelix Life Sciences Limited *(Continued)*

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls 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 internals controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
20 April 2018

METAHELIX LIFE SCIENCES LIMITED

Standalone Balance sheet as at 31st March, 2018

All amounts are in Rs lacs unless otherwise stated

	Notes	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
1. Non-current Assets			
a) Property, plant and equipment	4	**2,105.80**	2,206.69
b) Capital work in progress	4	**27.94**	2.88
c) Other intangible assets	4	**569.78**	512.26
d) Intangible assets under development	4	**2,235.94**	1,902.62
e) Financial assets			
Investment	5	**204.23**	82.49
Other financial assets	6	**444.84**	257.26
f) Deferred tax assets	7	**18.41**	1,041.77
g) Non-current tax assets	8	**2,965.79**	2,045.93
h) Other non-current assets	9	**-**	1.01
Total Non-current Assets		**8,572.73**	8,052.91
2. Current Assets			
a) Inventories	10	**19,854.84**	15,052.53
b) Financial assets			
i) Trade and other receivable	11	**3,758.21**	3,972.44
ii) Cash and cash equivalents	12	**2,575.41**	176.20
iii) Other financial assets	6	**214.89**	200.61
c) Other current assets	9	**1,533.13**	1,837.28
Total Current Assets		**27,936.48**	21,239.06
TOTAL ASSETS		**36,509.21**	29,291.97
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	13	**10.75**	10.75
b) Other equity	14	**10,946.49**	8,557.53
Retained earnings	14	**4,253.12**	1,857.53
Share premium	14	**6,704.32**	6,704.32
Reserves			
Reserves representing unrealised gains / losses		**(10.95)**	(4.32)
Total equity		**10,957.24**	8,568.28
Liabilities			
1. Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	**197.22**	322.67
ii) Other financial liabilities	16	**606.56**	558.29
b) Provisions	19	**156.87**	140.47
c) Deferred revenue	17	**11.32**	12.83
Total Non-current Liabilities		**971.97**	1,034.26
2. Current Liabilities			
a) Financial liabilities			
i) Borrowings	15	**-**	1,239.03
ii) Trade payables	18	**16,533.23**	10,044.89
iii) Other financial liabilities	16	**937.22**	811.29
b) Provisions	19	**21.01**	18.35
c) Deferred revenue	17	**1.51**	1.51
d) Current tax liability	8	**92.24**	-
e) Other current liabilities	20	**6,994.79**	7,574.36
Total Current Liabilities		**24,580.00**	19,689.43
Total Liabilities		**25,551.97**	20,723.69
TOTAL EQUITY AND LIABILITIES		**36,509.21**	29,291.97

Significant accounting policies 1, 2 ,3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

for **BSR & Co LLP**
Chartered Accountants
Firm registration number: 101248W/ W - 100022

Aniruddha Godbole
Partner
Membership No:105149

for **and on behalf of the Board of Directors of**
Metahelix Life Sciences Limited

V Shankar
Chairman
DIN:01385240

K R Venkatadri
Director
DIN:03409857

R. Mukundan
Director
DIN:00778253

S Nagarajan
Managing Director & CEO
DIN:07493850

Dr Natraj
Director
DIN:07132764

Dr. Punita Kumar- Sinha
Director
DIN: 05229262

Punita Kumar

Suresh Kannan
CFO & Company Secretary

METAHELIX LIFE SCIENCES LIMITED BENGALURU

Mumbai, 20th April, 2018

METAHELIX LIFE SCIENCES LIMITED

Standalone Statement of profit and loss for the year ended 31st March, 2018

All amounts are in Rs lacs except for earning per share information

		Notes	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I	Revenue from operations	21	**31,894.70**	28,655.30
II	Other income	22	**385.08**	199.77
III	**Total Income (I+II)**		**32,279.78**	28,855.07
IV	**Expenses**			
	Cost of materials consumed	23	**19,377.65**	15,458.88
	Changes in inventories of finished goods, stock in trade and work-in-progress	24	**(2,810.16)**	(552.24)
	Employee benefits expense	25	**3,761.93**	3,212.19
	Finance costs	26	**101.06**	463.04
	Depreciation and amortization expense	4	**555.72**	512.02
	Other expenses	27	**7,874.63**	7,569.34
	Total expense (IV)		**28,860.83**	26,663.23
V	**Profit before tax from operations (III - IV)**		**3,418.95**	2,191.84
VI	**Income Tax expenses**			
	(1)Current tax expense		**736.52**	464.00
	(2)MAT Credit		**(736.52)**	(1,323.21)
	(3)Deferred Tax		**1,023.36**	(182.56)
	Total Income Tax expenses		**1,023.36**	(1,041.77)
VII	**Profit for the year (V - VI)**		**2,395.59**	3,233.61
	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss:			
	Premeasurement of the defined benefit plans		**(6.63)**	(4.32)
VIII	**Net Other comprehensive income not to be reclassified subsequently to profit or loss**		**(6.63)**	(4.32)
IX	**Total comprehensive income for the year (VII + VIII)**		**2,388.96**	3,229.29
	Profit for the year attributable to:			
	Owners of the Company		**2,395.59**	3,233.61
	Non-controlling interests		-	-
			2,395.59	3,233.61
	Other comprehensive income for the year attributable to:			
	Owners of the Company		**(6.63)**	(4.32)
	Non-controlling interests		-	-
			(6.63)	(4.32)
	Total comprehensive income for the year attributable to:			
	Owners of the Company		**2,388.96**	3,229.29
	Non-controlling interests		-	-
			2,388.96	3,229.29
	Earnings per share for continuing and discontinuing operations			
	(1) Basic (in Rs.)		**2,228.41**	3,007.95
	(2) Diluted (In Rs.)		**2,228.41**	3,007.95

Significant accounting policies 1, 2 ,3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date
for **BSR & Co LLP**
Chartered Accountants
Firm registration number: 101248W/ W - 100022

for **and on behalf of the Board of Directors of**
Metahelix Life Sciences Limited

Aniruddha Godbole
Partner
Membership No:105149

V Shankar
Chairman
DIN:01385240

K R Venkatadri
Director
DIN:03409857

R. Mukundan
Director
DIN:00778253

S Nagarajan
Managing Director & CEO
DIN:07493850

Dr Natraj
Director
DIN:07132764

Dr. Punita Kumar- Sinha
Director
DIN: 05229262

Suresh Kannan
CFO & Company Secretary

METAHELIX LIFE SCIENCES LIMITED BENGALURU

Mumbai, 20th April, 2018

METAHELIX LIFE SCIENCES LIMITED

Statement of cash flows for the year ended 31st March, 2018

All amounts are in Rs lacs unless otherwise stated

		For the year ended March, 31, 2018	For the year ended March, 31, 2017
A	**Cash Flows from Operating activities**		
	Profit for the year	2,388.96	3,229.29
	Adjustments for:		
	Depreciation and amortisation	555.72	512.02
	Income tax expense for the year	1,023.36	(1,041.77)
	Other non- operating income	(147.83)	(88.91)
	Loss on sale of asset	2.94	-
	Finance costs recognised	101.06	463.04
	Interest income	(80.51)	(16.78)
	Impairment of intangible asset	233.63	183.22
	Allowance for slow moving inventory	248.63	200.25
	Provision for bad debts no longer required written back	(302.11)	-
	Impairment loss recognised on trade receivables	340.86	385.17
	Operating cash flows before movements in working capital	4,364.72	3,825.53
	Movements in working capital;		
	(Increase)/ Decrease in Inventories	(5,050.94)	(720.12)
	(Increase) / Decrease Trade and other receivable	235.48	659.32
	(Increase)/ Decrease in Other financial assets	(193.40)	57.11
	(Increase)/ Decrease in Other current assets	304.15	(1,029.06)
	Increase/ (Decrease) in Trade payable	6,488.34	1,461.72
	Increase/ (Decrease) in financial liabilities	198.61	24.19
	Increase/ (Decrease) in Provisions	19.06	11.65
	Increase/ (Decrease) in Deferred Revenue	(1.51)	(1.51)
	Increase/ (Decrease) in Other current liabilities	(579.57)	1,690.37
	Cash generated from operations	5,784.93	5,979.20
	Income taxes paid	(827.63)	(772.45)
	Net cash generated from operating activities	4,957.30	5,206.75
B	**Cash Flow from investing activities**		
	Purchases of property, plant and equipment (including capital work-in-progress)	(119.29)	(153.70)
	Proceeds on disposal of property, plant and equipment	4.31	-
	Payments towards intangible assets	(977.95)	(1,002.50)
	Investment in joint venture	(121.74)	(82.49)
	Interest received	72.05	16.18
	Other income received	-	-
	Net cash used in investing activities	(1,142.62)	(1,222.51)
C	**Cash Flow from Financing activities**		
	Repayment of borrowings	(1,401.91)	(3,641.76)
	Finance costs	(101.39)	(477.40)
	Finance income on facilitation of loans	87.83	149.78
	Net cash used in financing activities	(1,415.47)	(3,969.38)
D	**Net increase in cash and cash equivalents (A + B + C)**	2,399.21	14.86
E	**Cash and cash equivalents at the begining of the period**	176.20	161.34
F	**Cash and cash equivalents at the end of the period (D + E)**	2,575.41	176.20

METAHELIX LIFE SCIENCES LIMITED BENGALURU

METAHELIX LIFE SCIENCES LIMITED

Statement of cash flows for the year ended 31st March, 2018 (continued)

Notes to cash flow statement

1. Components of cash and cash equivalents:

	As at March, 31, 2018	As at March, 31, 2017
Balances with banks:		
– In current accounts	619.55	18.46
– In Deposits accounts with original maturity of less than 3 months	1,804.58	11.04
Cash on hand (include foreign currency of amounting to Rs.0.53 Lac)	1.29	2.63
Other Bank balances:		
Bank - deposit with original maturity more than 3 months	149.99	144.07
	2,575.41	176.20

Significant accounting policies

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date
for **BSR & Co LLP**
Chartered Accountants
Firm registration number: 101248W/ W - 100022

Aniruddha Godbole
Partner
Membership No:105149

for **and on behalf of the Board of Directors of**
Metahelix Life Sciences Limited

V Shankar
Chairman
DIN : 01385240

K R Venkatadri
Director
DIN : 03409857

R.Mukundan
Director
DIN:00778253

S Nagarajan
Managing Director & CEO
DIN:07493850

Dr Natraj
Director
DIN :07132764

Dr. Punita Kumar- Sinha
Director
DIN :05229262

Suresh Kannan
CFO & Company Secretary

METAHELIX LIFE SCIENCES LIMITED BENGALURU

Mumbai, 20th April, 2018

METAHELIX LIFE SCIENCES LIMITED

Standalone Statement of changes in equity for the year ended 31st March, 2018

All amounts are in Rs. lacs unless otherwise stated

	Equity share capital	Other equity				Total Equity
		Securities premium	Retained earnings	Other comprehensive income	Total	
Balance as at 1st April, 2016	10.75	6,704.32	(1,354.57)	(21.47)	5,328.28	5,339.03
Adjustment as at 1st April, 2016*	-	-	(21.47)	21.47	-	-
Balance as at 1st April, 2016	**10.75**	**6,704.32**	**(1,376.04)**	-	**5,328.28**	**5,339.03**
Profit for the year - 2016-17	-	-	3,233.61	-	3,233.61	3,233.61
Premeasurement of the net defined benefit liability / asset	-	-	-	(4.32)	(4.32)	(4.32)
Balance as at 31st March, 2017	**10.75**	**6,704.32**	**1,857.57**	**(4.32)**	**8,557.57**	**8,568.32**
Profit for the year - 2017-18	-	-	2,395.59	-	2,395.59	2,395.59
Premeasurement of the net defined benefit liability / asset	-	-	-	(6.63)	(6.63)	(6.63)
Balance as at 31 March 2018	**10.75**	**6,704.32**	**4,253.16**	**(10.95)**	**10,946.53**	**10,957.28**

*First valuation as per Ind AS19 from financial year 2016-17

Significant accounting policies 1, 2, 3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date
for **BSR & Co LLP**
Chartered Accountants

for **and on behalf of the Board of Directors of**
Metahelix Life Sciences Limited

Aniruddha Godbole
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METAHELIX LIFE SCIENCES LIMITED BENGALURU

Mumbai, 20th April, 2018

Metahelix Life Sciences Limited
Notes to the Standalone Financial Statements

1. Corporate Information

The Company's primary activity is in the area of agricultural biotechnology and the focus area being the development of new technologies and traits for crop improvement. The Company has a strong research and development program for hybrid seeds in field and vegetable crops. Additionally, the Company uses its strengths in the area of functional genomics, plant transformation and marker assisted selection to develop value added traits such as insect, weed and virus protection traits to its hybrid seeds products. The Company also produces parent seeds at various locations. The Company is also engaged in the production and marketing of seeds. Operations of the Company are spread out across various zones in the country with research and development activity primarily based out of Bangalore, Hyderabad, Ahmadabad, Aurangabad; seeds production in Andhra Pradesh and Karnataka; seed processing facilities at Hyderabad.

As of 31 March 2018, Rallis India Limited own 100% of the Company's equity share capital and is the holding company.

2. Recent accounting pronouncement

2.1 Standards issued but not yet effective

In March 2018, the ministry of corporate affairs issued the notification dated 28th March 2018 notifying applicability of IND AS 115 w.e.f. 1st April 2018.

IND AS 115 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers

The core principle of Ind AS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognises revenue when (or as) the entity satisfies a performance obligation.

The company is evaluating the requirements of the IND AS 115 and the effect on the financial statement is being evaluated.

METAHELIX LIFE SCIENCES LIMITED BENGALURU

Metahelix Life Sciences Limited
Notes to the Standalone Financial Statements

3 Significant accounting policies

3.1 Basis of preparation of standalone financial statements

These standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (`Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3.2 Use of estimates

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenue and expenses for the year. Actual results could differ from these estimates.

3.3 Revenue Recognition

Revenue from Sale of products/goods (net of tax) is recognized upon passage of title to the customer, which generally coincides with their delivery. Revenue is net of trade discounts, performance/volume based incentives, sales returns and VAT.

3.4 Property Plant and Equipment

Fixed Assets are stated at their historical cost of acquisition or construction, less accumulated depreciation and impairment losses if any. Cost includes all cost incurred to bring the assets to their location and condition. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work in progress -projects under which assets are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

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Chartered Accountants

METAHELIX LIFE SCIENCES LIMITED
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Metahelix Life Sciences Limited
Notes to the Standalone Financial Statements

3.4 Property Plant and Equipment (continued)

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under 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

Asset category	Useful life
Buildings	
- Factory	25 years
- Green house	5 years
Computer software	3 years
Plant and machinery (Research and development)	5 years

3.5 Intangible Assets

a) Intangible assets acquired separately

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 changes in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in profit or loss.

b) Internally- generated intangible assets- research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all the following have been demonstrated:

•the technical feasibility of completing the intangible asset so that it will be available for use or sale;
•the intention to complete the intangible asset and use or sell it;
•the ability to use or sell the intangible asset;
•how the intangible asset will generate probable future economic benefits;
•the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
•the ability to measure reliably the expenditures attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible assets first meets the recognition criteria listed above. Where no internally- generated intangible assets can be recognized, development expenditure is recognized in profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally- generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses. Amortization of the intangible asset begins when development is complete and the asset is available for use.

METAHELIX LIFE SCIENCES LIMITED
BENGALURU

3.5 Intangible Assets (continued)

c) Estimated useful lives of the intangible assets are as follows:

Licenses and Commercial rights- 3 years
Computer Software- 1 year
Technical Knowhow- 3years

d) Deemed Cost on transition to Ind AS

For transition to Ind AS, the company has elected to continue with the carrying value of all of its Intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in Statement of profit or loss in the period in which they are incurred.

3.7 Inventories

Inventories are valued at the lower of cost (determined on weighted average basis) and net realizable value after providing for obsolescence and other loss where considered necessary. Cost of Inventories includes cost of purchase, cost of processing and other costs incurred in bringing it to their present location and condition. Remnant/substandard stocks are not valued and are accounted as revenue in the year of sale of such stock. Work-in-progress and finished goods include material cost and appropriate share of production overheads. The Company's products are not subject to Excise duty.

3.8 Government Grants

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognized as income over the life of a depreciable asset by way of a reduced depreciation charge. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

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METAHELIX LIFE SCIENCES LIMITED BENGALURU

3.9 Foreign currency transactions:

Functional Currency

The functional currency of the company is the Indian rupee. These standalone financial statements are presented in Indian rupees (rounded off to Lakhs).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

3.10 Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

a) Defined Contribution Plan:

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when service are rendered by the employees.

b) Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

METAHELIX LIFE SCIENCES LIMITED
BENGALURU

Metahelix Life Sciences Limited
Notes to the Standalone Financial Statements

3.10 Employee Benefits (continued)

c) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(ii) in case of non-accumulating compensated absences, when the absences occur.

d) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

3.11 Taxes on income

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.12 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

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METAHELIX LIFE SCIENCES LIMITED BENGALURU

3.13 Provisions and contingencies

A provision is recognized 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 (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balances sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.14 Impairment of assets

a) Non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The intangible assets capitalized and intangibles under development are tested for impairment each financial year even if there is no indication that the asset is impaired.

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

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 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.

b) Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12- month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

3.15 Leases

Where the Company as a lessor leases assets under operating leases, such amounts are recognized as income on an accrual basis.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss over primary period of lease on a straight-line basis over the lease term.

METAHELIX LIFE SCIENCES LIMITED BENGALURU

3.16 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director & CEO.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

3.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.18 Other Income

Interest Income is accounted on accrual basis.

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

Lease income is accounted on accrual basis.

Income recognition for facilitation services are recognized as and when the services are performed.

3.19 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Metahelix Life Sciences Limited
Notes to the Standalone Financial Statements

3.20 Financial Instruments

a) Initial Recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Subsequent Measurement

i) Financial assets carried at amortized cost

A financial asset is subsequently 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.

ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. 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.

v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

vi) Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

METAHELIX LIFE SCIENCES LIMITED
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3.20 Financial Instruments (continued)

c) De-recognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

d) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

3.21 Critical judgments in applying accounting policies

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Critical judgments in applying accounting policies

There were no critical judgments, apart from those involving estimations (see note below), that the management have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statement.

b) Useful lives of Property, Plant and Equipment

As described at note 3.12 above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

c) Defined benefit plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An Actuarial Valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates and expected return of plan asset.

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d) Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

e) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i) Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

ii) Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

iii)Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company`s liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

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Notes to the Standalone Financial Statements for the year ended 31st March, 2018
All amounts are in Rs Lacs unless otherwise stated

Note 4: Property, Plant and Equipment anc Capital work in progress
Cost or deemed cost (Gross carrying amount)

	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipments	Total	CWIP
Balance as at 31st March, 2016	187.01	812.11	1,327.46	8.58	24.93	2,360.09	105.25
Additions	-	100.45	95.08	9.74	15.44	220.71	2.88
Disposals	-	-	11.61	-	0.27	11.88	105.25
Balance as at 31st March, 2017	**187.01**	**912.56**	**1,410.93**	**18.32**	**40.10**	**2,568.92**	**2.88**
Additions	-	8.54	86.53	6.25	7.27	108.59	27.94
Disposals/ adjustments	-	-	9.97	-	-	9.97	2.88
Balance as at 31st March, 2018	**187.01**	**921.10**	**1,487.49**	**24.57**	**47.37**	**2,667.54**	**27.94**

Accumulated depreciation:

	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipments	Total	CWIP
Balance as at 31st March, 2016	-	44.53	113.60	3.23	9.57	170.93	-
Eliminated on disposal of assets	-	-	11.61	-	0.27	11.88	-
Depreciation charge for the year	-	47.07	143.17	3.84	9.10	203.18	-
Balance as at 31st March, 2017	-	**91.60**	**245.16**	**7.07**	**18.40**	**362.23**	-
Disposals	-	-	2.72	-	-	2.72	-
Depreciation for the year	-	47.49	143.76	1.45	9.53	202.23	-
Balance as at 31st March, 2018	-	**139.09**	**386.20**	**8.52**	**27.93**	**561.74**	-

Carrying amount (Net):

Balance as at 31st March, 2018	**187.01**	**782.01**	**1,101.29**	**16.05**	**19.44**	**2,105.80**	**27.94**
Balance as at 31st March, 2017	187.01	820.96	1,165.77	11.25	21.70	2,206.69	2.88

Note 4: Intangible Assets
Cost or deemed cost (Gross carrying amount)

	Seed development technology	Computer Software	Total
Balance as at 31st March, 2016	**681.18**	**50.75**	**731.93**
Additions	453.14	11.66	464.80
Balance as at 31st March, 2017	**1,134.32**	**62.41**	**1,196.73**
Additions	398.63	12.39	411.02
Balance as at 31st March, 2018	**1,532.95**	**74.80**	**1,607.75**

Accumulated amortization:

Balance as at 31st March, 2016	**344.89**	**30.74**	**375.63**
Depreciation charge for the year	284.40	24.44	308.84
Balance as at 31st March, 2017	**629.29**	**55.18**	**684.47**
Depreciation charge for the year	349.45	4.05	353.50
Balance as at 31st March, 2018	**978.74**	**59.23**	**1,037.97**

Carrying amount (Net):

Balance as at 31st March, 2018	**554.21**	**15.57**	**569.78**
Balance as at 31st March, 2017	505.03	7.23	512.26

Intangible assets under development:

Balance as at 31st March, 2018	**2,235.94**
Balance as at 31st March, 2017	1,902.62

Note:

a. Plant and equipment includes plant and machinery , electrical equipment's and installations , laboratory equipment's and computers and data processing units.

b. Plant and Equipment's includes Rs. 4.12 Lacs (As at 31st March, 2017 Rs. 5.49 Lacs) given under operating lease.

c. Plant and Equipment's of Unit 4 of cob drying unit at carrying cost of Rs. 756.46 Lacs (As at 31st March, 2017; Rs. 794.82 Lacs) are subject to a first charge to secure two of the Company's bank loans.

d. Land and buildings with a carrying amount of Rs. 834.66 Lacs (31 March, 2017: Rs. 870.37 Lacs) are subject to a first charge to secure two of the Company's bank loans.

e. The Company has internally developed Seed development technology for producing hybrid seeds. The Carrying amount of Seed development technology of Rs. 554.21 Lacs (Rs. 505.03 Lacs as at 31st March, 2017) will be fully amortized in next 3 years.

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Note 5: Non-current investments

	As at 31st March, 2018	As at 31st March, 2017
Investment in Subsidiary at cost:		
Unquoted equity instruments - (fully paid up)		
PT Metahelix Lifesciences Indonesia - 306,250 shares (Previous year 122,500 shares) of nominal value Indonesia Rupiah 12,653 each	204.23	82.49
	204.23	**82.49**

Note 6: Other financial assets

	As at 31st March, 2018	As at 31st March, 2017
Loans and receivables (Unsecured, considered good)		
Advances to employees	92.72	86.90
Interest accrued on fixed deposits	10.56	2.10
Deposits with others:		
- Current	111.61	111.61
- Non-current	444.84	257.26
	659.73	**457.87**

Current	214.89	200.61
Non-current	444.84	257.26

Note 7: Deferred tax assets

	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Assets		
Provision against debts and advances	349.76	332.99
Employee and other related costs	62.16	54.96
Unused tax losses	771.66	1,667.87
Total	1,183.58	2,055.83
Deferred Tax Liabilities		
Property, plant and equipment	190.18	180.82
Intangible assets	974.99	833.24
Total	1,165.17	1,014.06
Net Deferred tax asset	18.41	1,041.77

Note

1. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities.

2. Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Reconciliation of deferred tax assets, net	As at 31st March, 2018	As at 31st March, 2017
Opening balance as of 1st April	1,041.77	859.21
Tax income/(expense) during the year recognised in profit or loss	(1,023.36)	182.56
Closing balance as at 31st March	18.41	1,041.77

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Note 8: Non-Current tax assets

	As at 31st March, 2018	As at 31st March, 2017
Advance income tax [net of provision for tax Rs.631.46 Lac (31st March, 2017 - Nil)]	885.35	681.40
MAT credit entitlement	2,059.73	1,323.21
Tax deduction at source	20.71	41.32
	2,965.79	2,045.93

Current tax liabilities

Provision for current tax [net of advance tax Rs. 1,312.42 Lacs (31st March, 2017 - Rs. 1,980.99 Lacs)]	92.24	-

Note 9: Other assets

	As at 31st March, 2018	As at 31st March, 2017
Capital advances	-	1.01
Expected sales returns (Inventory at cost)	106.41	139.04
Down payment to suppliers	1,374.97	1,643.43
Other prepaid expenses	51.75	46.55
Others	-	8.26
	1,533.13	1,838.29
Current	1,533.13	1,837.28
Non-current	-	1.01

Note 10: Inventories (Lower of cost and net realizable value)

	As at 31st March, 2018	As at 31st March, 2017
Raw materials	6,056.22	4,111.92
Work in progress	121.38	102.03
Finished goods	13,037.03	10,213.59
Packing materials	640.21	624.99
	19,854.84	15,052.53

(i) The cost of inventories recognised as an expense (provision for obsolete / slow moving inventory) as at 31st March, 2018 amounts to Rs.248.63 lac (Rs.200.25 Lac as at 31st March, 2017)

Note 11: Trade and other receivables

	As at 31st March, 2018	As at 31st March, 2017
Trade receivables		
Outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	36.14	34.52
Unsecured, considered good	777.27	1,170.26
Unsecured, considered doubtful	1,000.94	962.19
Less: Provision for doubtful trade receivables	(1,000.94)	(962.19)
	813.41	1,204.78
Other trade receivables		
Secured, considered good	218.28	187.82
Unsecured, considered good	2,571.57	2,484.89
	2,789.85	2,672.71
Other receivable	154.95	94.95
	3,758.21	3,972.44

Footnote:

i. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

ii. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

iii. Movement in the expected credit loss

	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	962.19	586.21
Less: Written off during the year	(302.11)	(9.19)
Add: Provision made during the year	340.86	385.17
Balance at the end of the year	1,000.94	962.19

Note 12: Cash and cash equivalents

	As at 31st March, 2018	As at 31st March, 2017
Balances with banks:		
-- In current accounts	619.55	18.46
-- In deposits accounts with original maturity of less than 3 months	1,804.58	11.04
Cash on hand (include foreign currency of amounting to Rs.0.53 Lac)	1.29	2.63
	2,425.42	32.13
Other bank balances:		
Bank - deposit with original maturity more than 3 months	149.99	144.07
	2,575.41	176.20

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Note 13: Share capital

	As at 31st March, 2018		As at 31 March, 2017	
	Number of shares	Rs Lac	Number of shares	Rs Lac
Authorised share: Equity Shares with voting rights of Rs.10 each	**28,812,800**	**2,881.28**	28,812,800	2,881.28
Issued, Subscribed and Fully Paid up: Equity Shares with voting rights of Rs.10 each	**107,502**	**10.75**	107,502	10.75

a) The Company has only one class of equity share having a par value of Rs.10/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders

b) Shares held by holding company
Out of equity shares issued by the company, shares held by its holding company are as below:

	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares	Rs Lac	Number of shares	Rs Lac
Rallis India Limited, the holding company and its nominees	**107,502**	**10.75**	107,502	10.75

c) Details of shares held by each shareholder holding more than 5% shares in the Company:

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares	% Holding	Number of shares	% Holding
Rallis India Limited and its nominees	**107,502**	**100.00%**	107,502	100.00%

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Note 14: Other equity

	As at 31st March, 2018	As at 31st March, 2017
Securities premium reserve	6,704.32	6,704.32
Retained earnings	4,253.12	1,857.53
Other comprehensive income	(10.95)	(4.32)
Total	10,946.49	8,557.53

Securities premium reserve

	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning and at the end of the year	6,704.32	6,704.32

Retained earnings

	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	1,857.53	(1,376.08)
Net profit for the current year	2,395.59	3,233.61
Balance at the end of the year	4,253.12	1,857.53

Other comprehensive income

	As at 31st March, 2018	As at 31st March, 2017
Balance as at 1st April	(4.32)	-
Add: Actuarial adjustment for the year	(6.63)	(4.32)
Balance as at 31st March	(10.95)	(4.32)

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Note 15: Borrowings

	As at 31st March, 2018	As at 31st March, 2017
Non-current interest-bearing loans and borrowings		
Secured loan from banks (refer note (a) below)	**100.00**	211.17
Secured loan from other corporate bodies (refer note (b) below)	**72.24**	69.86
Loan from other corporate bodies {(Unsecured) (refer note (c) below)	**24.98**	41.64
Total non-current interest-bearing loans and borrowings*	**197.22**	322.67
Current interest-bearing loans and borrowings		
Bank overdrafts & Cash credit facility {(unsecured) (refer note (d) below)	-	1,000.00
Bank overdrafts & Cash credit facility (secured)	-	239.03
Total current interest-bearing loans and borrowings	-	1,239.03
	197.22	1,561.70

Aggregate Secured loans	**172.24**	520.06
Aggregate Unsecured loans	**24.98**	1,041.64

* Current portion of long term debts are disclosed under current financial liabilities

Footnote:
The terms of repayment of term loan and other loans are stated below

As at 31st March, 2018

Particulars	Terms of security and repayment	Amount outstanding	Rate of interest
a. Secured loan from Banks Owed by Metahelix Life Sciences Limited	Term loan from Kotak Mahindra Bank - First and exclusive charge on plant and equipment of Unit 4 of the cob drying unit purchased out of the Bank's term loan. The balance outstanding as at 31 March, 2018 is Rs.61.17 lac (which is classified under note 16 other current financial liabilities), repayable in balance 6 monthly installments.	61.17	10.50%
	Term loan from ICICI Bank - is secured by hypothecation of movable assets, both present and future including its movable plant and equipment, machinery spares, tools and accessories and other movables, both present and future All piece and parcel of the Immovable Agricultural property situated at Kokkanda Village, Mulugu Mandal, Medak District. The balance outstanding as at 31st March, 2018 is Rs.150 Lac which is repayable in 12 equated quarterly installments of Rs. 12.50 Lac each (of which Rs.50.00 lac has been classified under note 16 other current financial liabilities).	150.00	7.50%
b. Secured loans from other corporate bodies Owed by Metahelix Life Sciences Limited	Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property of the Company, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. The Balance outstanding as at 31st March, 2018 is Rs.97.46 Lac (of which Rs.25.22 lac has been classified under note 16 other current financial liabilities) which is repayable along with interest in 10 equal half yearly installments from December 2015 (Rice) and June, 2017 -(Maize).	97.46	2.00%
c. Loan from Council of Scientific and Industrial Research Owed by Metahelix Life Sciences Limited	Term loan from Council of Scientific and Industrial Research The balance payable as on 31 March, 2017 is Rs.33.31 Lac (of which Rs.8.33 lac has been classified under note 16 other current financial liabilities). The same is repayable along with interest in 7 annual installments.	33.31	3.00%
d. Unsecured loan from Banks Owed by Metahelix Life Sciences Limited	Short term loan of Rs.1000 Lac as at 31st March, 2017 repaid on 14th May, 2017.	NIL	NA

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As at 31st March, 2017

Particulars	Terms of security and repayment	Amount outstanding	Rate of interest
a. Secured loan from Banks Owed by Metahelix Life Sciences Limited	Term loan from Kotak Mahindra Bank - First and exclusive charge on plant and equipment of Unit 4 of the cob drying unit purchased out of the Bank's term loan. The balance outstanding as at 31 March, 2017 is Rs.183.50 lac (of which Rs.122.33 lac has been grouped under note 16 other current financial liabilities), which is repayable in balance 6 monthly installments	183.50	10.50%
	Term loan from ICICI Bank - is secured by hypothecation of movable assets, both present and future including its movable plant and equipment, machinery spares, tools and accessories and other movables, both present and future All piece and parcel of the Immovable Agricultural property situated at Kokkanda Village, Mulugu Mandal, Medak District. The balance outstanding as at 31st March, 2017 is Rs.200 Lac which is repayable in 16 equated quarterly installments of Rs. 12.50 Lac each (of which Rs.50.00 lac has been classified under note 16 other current financial liabilities)	200.00	7.50%
b. Secured loans from other corporate bodies Owed by Metahelix Life Sciences Limited	Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property of the Company, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. The Balance outstanding as at 31st March, 2018 is Rs.79.68 Lac (of which Rs.9.82 lac has been classified under note 16 other current financial liabilities) which is repayable along with interest in 10 equal half yearly installments from December 2015 (Rice) and June, 2017 -(Maize)	79.68	2.00%
c. Loan from Council of Scientific and Industrial Research Owed by Metahelix Life Sciences Limited	Term loan from Council of Scientific and Industrial Research. The balance payable as on 31 March, 2017 is Rs.41.64 Lac. The same is repayable along with interest in 7 annual installments.	41.64	3.00%

Note 16: Other financial liabilities

	As at 31st March, 2018	As at 31st March, 2017
Other financial liabilities at amortised cost		
Creditors for capital goods	26.17	12.82
Secured loans from banks (refer note 15 (a))	111.17	172.33
Secured loans from other corporate bodies (refer note 15 (b))	25.22	9.82
Unsecured loans from other corporate bodies (refer note 15 (c))	8.33	-
Others (interest accrued)	8.30	8.63
Deposits received	606.56	558.29
Discounts and incentives payable	758.03	607.69
	1,543.78	1,369.58
Total current	937.22	811.29
Total non-current	606.56	558.29

Note 17: Deferred revenue

	As at 31st March, 2018	As at 31st March, 2017
Balance as at 31st March, 2017	14.34	15.85
Received during the year	-	-
Released to the statement of profit and loss	1.51	1.51
Balance as at 31st March, 2018	12.83	14.34
Total Current	1.51	1.51
Total Non-current	11.32	12.83

Note
The deferred revenue relates to the accrual and release of subsidy received from NABARD on 16-Aug-2012 towards setting up Maize Cob drying facility. The proportionate amount equal to the depreciation on the balance useful life of the asset (Building 25 years and Plant & Machinery 15 years) is released to the Statement of Profit and Loss.

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Note 18 : Trade payables

	As at 31st March, 2018	As at 31st March, 2017
Trade payables (for goods and services)		
i)Total Outstanding dues of micro enterprises and small enterprises (refer note 30)	-	-
ii)Total Outstanding dues of creditors other than micro enterprises and small enterprises	16,530.40	10,044.23
Other payables (includes accrued expenses and amount due to employees)	2.83	0.66
	16,533.23	10,044.89

Note 19: Provisions

	As at 31st March, 2018	As at 31st March, 2017
Non Current		
Compensated absences	144.15	140.47
Gratuity	12.72	-
	156.87	140.47
Current		
Compensated absences	21.01	18.35
	177.88	158.82
Current	21.01	18.35
Non current	156.87	140.47

The provision for employee benefits includes gratuity, supplemental pay on retirement and compensated absences. The increase/decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year For other disclosures, refer note 36.

Note 20 : Other current liabilities

	As at 31st March, 2018	As at 31st March, 2017
Advance received from customers	6,518.12	6,985.08
Provident fund payable	27.62	25.52
TDS payable	60.78	41.12
GST payable	2.14	-
Other taxes	1.23	1.67
Sales return provision	334.90	470.97
Others	50.00	50.00
	6,994.79	7,574.36

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21: Revenue from operations

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Sales		
Sales- manufactured goods	41,469.05	37,429.09
Discounts	(9,696.59)	(8,916.08)
	31,772.46	28,513.01
Other operating income		
Farm Income	29.98	37.78
Revalidation charges	92.26	104.51
	122.24	142.29
	31,894.70	28,655.30

Note 22: Other income

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest income on bank deposits	80.51	16.78
Miscellaneous income	303.06	181.48
Deferred revenue charged off	1.51	1.51
	385.08	199.77

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Note 23: Cost of raw material and components consumed

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a. Raw material and traded goods		
Inventory at the beginning of the year	4,736.91	4,842.97
Add: Purchases and processing charges	20,319.69	14,159.15
Less: Inventory at the end of the year	6,696.43	4,736.91
Cost of raw material consumed	18,360.17	14,265.21
Packing material	1,017.48	1,193.67
	19,377.65	15,458.88

Note 24: Changes in inventories of finished goods and work-in-progress

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Opening Stock		
Finished Goods	10,352.63	9,819.50
Work in progress	102.03	82.92
	10,454.66	9,902.42
Closing Stock		
Finished Goods	13,143.44	10,352.63
Work in progress	121.38	102.03
	13,264.82	10,454.66
Net decrease/(Increase)	(2,810.16)	(552.24)

Note 25: Employee benefit expenses

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries, wages and bonus	3,411.48	2,923.66
Contribution to provident and other funds	212.15	188.51
Staff welfare expenses	138.30	100.02
	3,761.93	3,212.19

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Note 26: Finance cost

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest expense on borrowings	**101.06**	302.56
Exchange difference on foreign currency borrowings	-	160.48
	101.06	463.04

Note 27: Other expenses

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Electricity charges	**236.39**	191.32
Freight expenses	**1,451.98**	1,208.45
Rent	**392.75**	345.33
License fees	**7.13**	4.25
Rates and taxes	**53.56**	74.53
Insurance charges	**18.16**	22.16
Intangible asset written off	**233.63**	183.22
Repairs and maintenance		
Plant and machinery	**25.99**	7.43
Buildings	**2.40**	0.64
Others	**122.70**	109.69
CSR expenditure	**32.38**	24.00
Advertisement and business promotion	**2,794.91**	3,125.01
Loss on sale of fixed assets (net)	**2.94**	-
Directors' fees	**12.20**	12.80
Provision for doubtful debts	**340.86**	385.17
Bad debts written off	**302.11**	-
Less: Provision for bad debts written back	**(302.11)**	-
Foreign exchange loss realised	**4.66**	-
Breeding and lab expenses	**357.23**	316.15
Legal and professional fees	**545.34**	361.81
Travelling cost	**948.49**	852.68
Telephone expenses	**81.69**	97.17
Bank charges	**3.71**	7.24
Other expenses	**190.87**	215.50
Audit Fees:		
As auditor:		
For services as auditor	**14.16**	19.44
For tax matters	-	2.76
For other services	-	1.73
Reimbursement for out of pocket expenses	**0.50**	0.86
	7,874.63	7,569.34

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Note 28 - Commitments and Contingent liability

I) Commitments

i) Estimated amount of contract with minimum commitment for plant activity Rs.3,399.00 Lac (As at March 31, 2017: Rs.1,030.00 Lac)

ii) Estimated amount of contract remaining to be executed on capital account and not provided for Rs.42.48 Lac (As at March 31st, 2017: Rs.16.67 Lac)

iii) Capital commitments towards investment in joint venture (PT Metahelix Lifesciences Indonesia) in Indonesia; USD 183,750 (As at March 31st, 2017: NIL)

II) Contingent liability

The Company is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Company's businesses. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate. A summary of claims asserted on the Company in respect of these cases have been summarised below.

a. Tax contingencies

i) Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, which are in dispute, have been tabulated below:

Nature of Tax	As at 31st March, 2018	As at 31st March, 2017
Income tax liability in respect of matters preferred by the Department	-	1,615.33
Income tax liability in respect of matters preferred by the Company *	3,112.04	3,521.93

* Excludes Rs.709.88 Lacs (deposits paid under protest)

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of above matters.

ii) Telangana Value Added Tax ('AP VAT'), Department had conducted the audit for the period from 2012-13 to 2015-16. On 22 December 2017, the Company received an assessment order from the Commercial Tax Department demanding an amount of Rs 1,466 lac towards VAT dues for the Assessment period 2012-2016. As per the order, the Company has claimed exemption on the entire sales turnover, without specifying the products sold. The department has taken into consideration sales of different types of seeds and levied VAT @5% on turnover for the above mentioned period. The Company has filed an appeal against the order on 2 February 2018. In process of the appeal, the Company has paid Rs. 183.25 Lacs (12.5% of the demand amount) as a pre-deposit (under protest) under the AP VAT Act 2005. Subsequent to the year end the Company received the order remanding the matter back to the Assessing Authority. Management is of the view that considering the merits of the case the outcome of the matter will be favorable to the Company.

b. Amount in respect of other claims

Nature of Tax	As at 31st March, 2018	As at 31st March, 2017
Others (claims related to contractual disputes)	435.29	401.84

In respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigations, will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

The customers of the Company have filed criminal cases against the sales employees of the Company for the lack of germination quality of the seeds sold by them in regular course of business. These cases are presently in different stages of legal proceedings in the Courts of respective jurisdictions and the probability of a loss, if any, being sustained and an estimate of the amount of any loss are difficult to ascertain. Consequently, for a majority of these cases, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of these disputes. The Company is contesting these cases and the Company's management believes that presently provision against these potential claims is not required as the ultimate outcome of these disputes would not have a material impact on the Company's financial position

c. Guarantees

Guarantees issued by bank on behalf of the Company as on 31st March, 2018 is Rs.273.40 Lac (As at 31st March, 2017 Rs.165.21 Lac) these are covered by the charge created infavour of the Company's bankers by way of hypothecation of stock and debtors

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Note 29 - Details of specified bank notes held and transacted during 8th November, 2016 to 30th December, 2016

During the previous year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below

	SBNs	Other denomination notes	Total
Closing cash on hand as on 08.11.2016	1.96	0.92	2.88
(+) Permitted Receipts	-	2.37	2.37
(-) Permitted Payments	0.04	2.57	2.61
(-) Amount Deposited to Banks	1.92	-	1.92
Closing cash on hand as on 30.12.2016	-	0.72	0.72

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note 30 - Trade Payable includes amount payable to Micro, Small and Medium Enterprises as follows:

	As at 31st March, 2018	As at 31st March, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year*	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
* out of above amount overdue is Rs. Nil (Previous year Rs. Nil)		

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

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Note 31: Details of unhedged foreign currency exposure

The year end foreign currency exposure that have not been hedged by derivative instruments or otherwise are Rs. Nil (Previous year- Rs. 16.06 Lacs) on account of export receivable

Note 32 - Value of imports on C. I. F. basis and Value of imported and indigenous materials consumed:

A) CIF Value of Imports

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Raw materials	**159.88**	286.11
Lab equipment's	**4.45**	6.14
	164.33	292.25

B) Value of imported and indigenous materials consumed:

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Amount	%	Amount	%
Raw materials consumed				
Imported (including Customs Duty)	**159.88**	**1%**	286.11	2%
Indigenous	**19,217.77**	**99%**	15,172.77	98%
Total	**19,377.65**	**100%**	15,458.88	100%

Note 33 - Expenditure in foreign currency:

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Professional fees	**25.69**	13.26
Travelling	**0.63**	1.29
Lab expenses	**1.93**	2.89
Crop trail fees	-	2.25
	28.25	19.69

Note 34 - Earnings in foreign exchange:

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Export of goods calculated on F. O. B. Basis	**19.70**	102.18
Total	**19.70**	102.18

Note 35: Lease Arrangements- Operating lease

The Company has taken certain premises on operating lease which is cancellable at the option of both the lessor or the lessee. The total rental expense for the cancellable lease for the current year amounts to Rs. 392.75 lacs (Previous Year: Rs. 345.33 Lacs)

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Note 36 - Employee benefit plans

a) Defined Contribution plans:
The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 149.27 Lac (Previous Year Rs. 126.40 Lac) for Provident Fund contributions and Rs. 2.87 Lac (Previous year Rs. 1.81 Lac) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plans
The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount).

These plans typically expose the Company to actuarial risk such as: investment risk, interest rate risk, longevity risk and salary risk.

The principal assumptions used for the purpose of actuarial valuation of gratuity were as follows:

	31st March, 2018	31st March, 2017
Actuarial Assumptions for Gratuity		
Discount rates	7.40%	7.00%
Expected rate of salary increase	8.00%	8.00%
Expected Return on plan assets	7.00%	7.60%
Mortality	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Withdrawal rate	12%	12%
Expected average remaining working life	6 Years	7 Years
Estimate of amount of contribution in the immediate next year	60	60

Amount recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

	31st March, 2018	31st March, 2017
Service cost:		
Current service cost	55.61	51.59
Past service cost	3.54	-
Net interest expense	0.86	6.33
Components of defined benefit costs recognised in profit or loss	60.01	57.92
Remeasurement on DBO/Plan Assets:		
Return on plan assets (excluding amounts included in net interest expense)	(10.55)	5.28
Actuarial (gain)/loss arising from changes in financial assumptions	7.50	(12.23)
Actuarial (gain)/loss arising from experience adjustments	(7.90)	2.63
Components of defined benefit costs recognised in other comprehensive income	(10.95)	(4.32)
	70.96	62.24

The current service cost and the net interest expenses for the year are included in the Employee benefit expenses line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

	31st March, 2018	31st March, 2017
Present Value of funded defined benefit obligations	399.42	358.19
Fair Value of plan assets	386.70	362.10
Funded status	12.72	(3.91)
Restrictions on asset recognised	-	-
Others	-	-
Net liability/(asset) arising from defined benefit obligation	12.72	(3.91)

Movements in the present value of the defined benefit obligation ('DBO') are as follows

	31st March, 2018	31st March, 2017
Opening defined benefit obligation	358.19	309.35
current service cost	55.61	51.59
past service cost	3.54	-
Interest cost	25.07	25.49
Remeasurement (gain)/losses:		
Actuarial (gain)/loss arising from changes in financial assumptions	(9.74)	12.73
Actuarial (gain)/loss arising from experience adjustments	7.90	(2.63)
Transfer In/(Out)	-	26.05
Benefits paid	(41.14)	(64.39)
Closing defined benefit obligation	399.43	358.19

Movements in the fair value of the plan assets are as follows

	31st March, 2018	31st March, 2017
Opening fair value of the plan assets	362.10	277.62
Transfer In/(Out)		26.05
Interest income	24.21	19.16
Remeasurement (gain)/loss		
Return on plan assets (excluding amounts included in net interest expense)	10.55	(5.28)
Actuarial (gain)	(2.08)	(0.50)
Contributions from the employer	50.00	97.88
Benefits paid	(41.14)	(64.39)
Closing fair value of plan assets	386.70	362.10

The plan assets are managed by the Gratuity Trust formed by the Company. The management of funds is entrusted with the Kotak Life Insurance

Particulars	31st March, 2018	31st March, 2017
Investment Funds with Insurance Company Unit Linked	386.70	362.10
Total asset	386.70	362.10

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase, withdrawal rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

1. If the discounting rate is 100 basis point higher (lower), the defined benefit obligation would decrease by Rs.23.97 Lacs (increase by Rs.26.76 Lac) [as at March 31, 2017: decrease by Rs.22.21 Lacs (increase by Rs.24.72 Lac)]

2. If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by Rs.26.36 Lac (decrease by Rs.23.96 Lac). [as at March 31, 2017: increase Rs.24.36 Lacs (decrease by Rs.22.21 Lacs)]

3. If the life expectancy increases by 1 year for both men and women, the defined benefit obligation would increase by Rs.0.04 Lac (as at March 31, 2017: increase by Rs. 0.04 Lacs)

4. If the withdrawal increases (decreases) by 1% the defined benefit obligation would decrease by Rs.1.99 Lac (increase by Rs.1.99 Lac) [As at March 31, 2017 decrease by Rs.2.15 Lac (increase by Rs.2.51 Lac)]

The sensitivity analysis is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous year to the methods and assumptions underlying the sensitivity analysis.

The financial assumptions employed for calculations of compensated absences are as under

	31st March, 2018	31st March, 2017
Discount rates	7.40%	7.00%
Salary escalation rate	8.00%	8.00%
Mortality	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Withdrawal rate	12%	12%

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Note 37: Segment information

The Company is principally engaged in the production and marketing of seeds. The seed related activities are considered as primary segment and secondary segment is reported based on the geographical location of the customer.

The sales outside India are less than threshold limits, as such disclosure under IndAS 108 is not required.

Note 38: Related party disclosure

Ultimate Holding Company	Tata Chemicals Ltd
Holding Company	Rallis India Limited
Subsidiary Company	PT Metahelix Lifesciences Indonesia
Key Managerial Personnel	Mr S.Nagarajan - Managing Director & CEO

a. Trading transactions

Particulars	Sale of Goods and services		Purchase of Goods		Cash Discount		Processing Charges, Freight Reimbursement and Consultancy	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Ultimate Holding Company; Tata Chemicals Limited	(409.72)	3,292.71	-	-	-	1,165.67	74.19	110.69
Holding Company; Rallis India Limited	2,354.58	781.54	320.95	120.27	19.24	48.83	125.54	47.75
Subsidiary Company; PT Metahelix Lifesciences Indonesia	1.08	21.32	-	-	-	-	-	-

Sale & purchase of goods to related parties were made at Arm's length price in the ordinary course of business.

b. The following balances were outstanding at the end of the reporting period:-

Particulars	Amounts owed by related parties as at		Amounts owed to related parties as at	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Ultimate Holding Company; Tata Chemicals Limited	-	71.20	-	-
Holding Company; Rallis India Limited	94.78	5.96	121.57	1,215.97
Subsidiary Company; PT Metahelix Lifesciences Indonesia	-	16.06	-	-

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad & doubtful debts in respect of the amounts owed by related parties. No amount is/has been written back during the year in respect of debts due from/to a related party.

c. Compensation of key managerial personnel

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Short term benefits	146.11	103.63
Post-Employment benefits	5.81	5.23

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Note 39: Financial instruments

Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in Note 15 and Note 16 offset by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company's audit committee reviews the capital structure of the Company on a quarterly basis. As a part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The Company's adjusted net debt to equity ratio as at 31st March, 2018 and 31st March, 2017 are as follows:

	As at 31 March 2018	As at 31 March 2017
Debt	375.49	1,734.03
Cash and bank balances	(2,575.41)	(176.20)
Net debt	(2,199.92)	1,557.83
Total equity	10,957.24	8,568.28
Net debt to equity ratio	-20%	18%

(i) Debt is defined as long-term and short-term borrowings , as described in notes 17 and 20.

The Company has not disclosed the fair values for financial instruments such as other non-current financial assets, trade receivables, cash and cash equivalents, bank balances, other current financial assets, loans, borrowings, other non-current financial liabilities, trade payables and other current financial liabilities as their carrying amounts are a reasonable approximation of fair value.

Categories of financial instruments

	As at 31 March 2018	As at 31 March 2017
Financial assets		
Measured at transaction cost		
(a) Cash and bank balances	2,575.41	176.20
(b) Trade and other receivable	3,758.21	3,972.44
(c) Other financial assets	659.73	457.87
Carried at cost		
(a) Investments in equity instruments of subsidiaries	204.23	82.49
Financial liabilities		
Measured at transaction cost		
(a)Borrowings	341.94	1,561.70
(b) Trade payable	16,533.23	10,044.89
(c) Other financial liabilities	1,399.06	1,369.58

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Financial risk management

Risk management framework
The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's has exposure to the following risks arising from financial instruments:
liquidity risk
credit risk
market risk (froeign currency risk)

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

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the Management of the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to liquidity risk
The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	Less than 1 year	1-5 years	5+ years	Total	Carrying amount
As at 31st March, 2018					
Borrowings	158.68	214.34	-	373.02	373.02
Other financial liabilities at amortised cost	778.54	-	606.56	1,385.10	1,385.10
	937.22	214.34	606.56	1,758.12	1,758.12
As at 31st March, 2017					
Borrowings	187.45	353.76	-	541.21	541.21
Other financial liabilities at amortised cost	629.14	-	558.29	1,187.43	1,187.43
	816.59	353.76	558.29	1,728.64	1,728.64

Interest risk
There is no material interest risk relating to the Company's financial liabilities which are detailed in Note 15 and Note 16.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows

	Liabilities		Assets	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
In US Dollars (USD) Lacs	-	-	-	0.24

Foreign currency sensitivity analysis
The Company is mainly exposed to the currency : USD;
The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Increase in exchange rate by 5%	USD impact	
	As at 31 March 2018	As at 31 March 2017
Impact on profit or loss for the year	-	0.80
Impact on total equity as at the end of the reporting period	-	0.80

This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period.

Decrease in exchange rate by 5%	USD impact	
	As at 31 March 2018	As at 31 March 2017
Impact on profit or loss for the year	-	(0.80)
Impact on total equity as at the end of the reporting period	-	(0.80)

This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period.

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Equity Risk

There is no material equity risk relating to the Company's equity investments which are detailed in note 5 "Investments". The Company equity investments majorly comprises of strategic investments rather than trading purposes.

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company. The Company has adopted a policy of only dealing with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. The Company uses its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counter parties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counter parties. Credit exposure is controlled by counter party limits that are reviewed and approved by the risk management committee annually.

The trade receivables consist of large number of customers spread across diversed geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

At 31st March 2018, the Company had 4 customers (31st March 2017: 4 customers) that owed the Company more than Rs.100 Lacs accounting for approximately 24% (31st March, 2017 - 40%) of the total trade receivable balance outstanding. Apart from the above, the Company does not have significant credit risk exposure to any single counter party.

The following table provides information about the exposure to credit risk and the expected credit loss for trade receivables:

	As at 31st March, 2018		As at 31st March, 2017	
	Carrying amount	Provision amount	Carrying amount	Provision amount
Up to 180 days	2,789.85	-	2,672.71	-
More than 180 days	1,814.35	(1,000.94)	2,166.97	(962.19)

The gross carrying amount of trade receivables is Rs 3,603.26 Lacs as at 31 March 2018 (31 March 2017: Rs 3,877.49 Lacs).

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Note 40: Earnings per share

	As at 31st March, 2018	As at 31st March, 2017
Profit for the year attributable to owners of the Company used in the calculation of basic/diluted earnings per share	2,395.59	3,233.61
Weighted average number of equity shares for basic/diluted earnings per share	**107,502**	107,502
Basic and Diluted Earnings per share	**2,228.41**	3,007.95

Note 41 - The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to Rs 38.78 lac (Previous Year Rs.28.21 lac). Amount spent during the year on CSR activities as under:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Expenses towards healthcare, education, etc.	**24.28**	10.47
Cash yet to be spent	**8.10**	13.53
	32.38	24.00

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Note 42: Investment in Subsidiary

Details of investment in Subsidiary at the end of the reporting period is as follows:

Name of the party	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights held by the Company	
			31st March, 2018	31st March, 2017
PT Metahelix Lifesciences Indonesia	Manufacture and sale of hybrid seeds	Indonesia	65.77%	65.77%

i) For the purpose of consolidated financial statements of Metahelix Life Sciences Limited and PT Metahelix Lifesciences Indonesia, line by line method of consolidation has been followed.

ii) Pursuant to a shareholder agreement, the Company has the right to cast 65.77% (Previous year 65.77%) of the votes at shareholder meetings of PT Metahelix Lifesciences Indonesia.

The following table represents the summarised financial information of the Company's investment in PT Metahelix Lifesciences Indonesia:

	31st March, 2018	31st March, 2017
Current assets	212.49	105.59
Non-current assets	1.44	1.48
Current liabilities	8.08	23.53
Non-current liabilities	-	-
Net Assets/Equity	**205.85**	83.54
The above amounts of assets and liabilities include the following		
Cash and cash equivalents	154.02	77.17
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-Current financial liabilities (excluding trade and other payables and provisions)	-	-
Proportion of the Company ownership	65.77%	65.77%
Goodwill	-	-
Other adjustments	-	-
Carrying amount of the investment	**204.23**	82.49

	31st March, 2018	31st March, 2017
Revenue	48.16	-
Other income	0.22	0.11
Cost of goods sold	57.75	-
Depreciation & amortization	0.42	0.35
Finance cost	-	-
Employee benefit	58.63	43.42
Other expense	48.26	40.59
Profit before tax	**(116.68)**	(84.25)
Income tax expense	0.05	0.02
Profit for the year	**(116.73)**	(84.27)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**(116.73)**	(84.27)
Dividends received from the joint venture during the year	-	-
Company's share of Loss for the year	(57.20)	(41.29)

The Subsidiary had no contingent liabilities or capital commitments as at 31st March, 2018.

The Subsidiary started operations during the financial year 2016-17.

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Note 43 - Research and Development expenditure
The Company has incurred the following expenses on research and development activity during the year:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
On Property, plant and equipment	25.87	60.04
Other expenses which have been expensed during the year		
- Materials	25.43	18.56
- Employee benefits expense	736.57	621.94
- Breeding Expenses	188.78	161.47
- Consumables	98.40	71.93
- Travelling expenses	38.10	28.61
- Depreciation	50.12	46.83
- Others	168.29	170.48
	1,331.56	1,179.86

During the year the Company has also incurred following expenses towards capital development expenditure which is included under intangible assets under development. The total amount included in Intangible Assets under Development as at 31 March 2018 is Rs.2,235.94 lac (Previous year Rs.1,902.63 lac)

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
- Materials	23.90	17.80
- Employee benefits expense	318.25	413.91
- Breeding Expenses	394.14	329.76
- Consumables	12.55	14.24
- Travelling expenses	107.18	87.70
- Depreciation	-	-
- Others	109.55	81.53
	965.57	944.94

The above figures include the amounts based on separate accounts for the Research and Developments ("R&D") Centre recognised by the Department of Scientific & Industrial Research ("DSIR"), Ministry of Science and Technology for in-house research (consonance with the DSIR guidelines for in-house R & D Centre will be evaluated at the time of filing the return with DSIR)

44: Consequent to the issuance of "Guidance Note on Division II -Ind AS Schedule III to the Companies Act ,2013 ", certain items of financial results have been regrouped/reclassified.

	Amount
Reclassification of Cost of materials consumed to Employee benefits expenses	132.20
Reclassification of Deposit with others (non current) to deposit with others (current)	111.61
Reclassification of interest accrued but not due on fixed deposit from cash and cash equivalent to other financial assets (current)	2.10
Reclassification of advance received from customers to trade and other receivable	191.39
Reclassification of discount provison from Trade receivables to other financial liabilites	607.68
Reclassification of interest accrued but not due on borrowings from other financial liabilities (non current) to other financial liabilities (current)	4.30
Reclassification of compensated absence from provision (current) to provisions (non current)	140.47
Reclassification of other liabilities to provision (current)	50.00
Reclassification of other liabilities to other financial liabilities	470.97
Reclassification of other liabilities to trade payables	0.35
Reclassification of other expenses - 'Other expenses' to Intangible asset written off	183.22
Reclassification of other expenses - 'Other expenses' to CSR expenditure	24.00
Reclassification of other expenses - 'Others' to Advertisement and Business Promotion	650.06

R & Co. LLP
Chartered Accountants

Metahelix Life Sciences Limited
BENGALURU

45. Prior period figures have been audited by a firm of Chartered Accountants other than B S R & Co. LLP.

Significant accounting policies 1, 2 ,3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

for **BSR & Co LLP**
Chartered Accountants
Firm registration number: 101248W/ W - 100022

for **and on behalf of the Board of Directors of**
Metahelix Life Sciences Limited

Aniruddha Godbole	**V Shankar**	**K R Venkatadri**	**R. Mukundan**	**S Nagarajan**
Partner	*Chairman*	*Director*	*Director*	*Managing Director & CEO*
Membership No:105149	DIN :01385240	DIN :03409857	DIN:00778253	DIN:07493850

Dr Natraj	**Dr. Punita Kumar- Sinha**	**Suresh Kannan**
Director	Director	CFO & Company Secretary
DIN :07132764	DIN :05229262	

Mumbai, 20th April, 2018

METAHELIX LIFE SCIENCES LIMITED
BENGALURU