

Report on the financial statements of Ascend Laboratories Sdn Bhd, Malaysia, a foreign subsidiary of Alkem Laboratories Limited, India required for the purposes of Section 129(3) of the Companies Act, 2013 and its consolidation with the financial statements of the holding company.

Independent Auditor's Report

To,
The Board of Directors,
Alkem Laboratories Limited, India

Report on the Standalone Ind AS Financial Statements:

We have audited the accompanying standalone Ind AS financial statements of **Ascend Laboratories Sdn Bhd, Malaysia** ('the Company') which comprise the Balance Sheet as at 31st March, 2019, the statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements") prepared by its management in its reporting currency in Malaysian Ringgit. These financial statements are translated by the management of its holding company M/s Alkem Laboratories Ltd., India in Indian currency (INR) and is also presented in the formats and as per requirements of Division II of Schedule III to the Companies Act, 2013 and as per Ind AS, for the purpose of presenting to its shareholders as required by Section 129(3) of the Companies Act, 2013 and for the purpose of its consolidation with the financial statements of the holding company Alkem Laboratories Limited, India.

Management's Responsibility for the Standalone Financial Statements:

The Company's Board of Directors is responsible for preparation of these Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance including 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 read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

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 to the extent applicable.



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

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 judgement, 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2019, and its financial performance including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and regulatory Requirements:

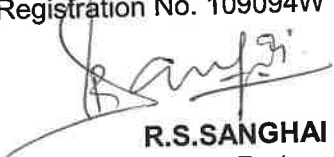
1. This audit is for the purpose of presenting the standalone Ind AS financial statements in Indian currency (INR) and in the formats and as per requirements of Division II of Schedule III to the Companies Act, 2013 as per Ind AS, for the purpose of presenting it to the shareholders of the holding company as required by Section 129(3) of the Companies Act, 2013 and for the purpose of its consolidation with the financial statements of the holding company Alkem Laboratories Limited, India and is not a report under Section 143 of the Companies Act, 2013, and accordingly does not include any statement on the matters specified in and required by Section 143 (11), 143(3)(g) and 143(3)(i) of the Companies Act, 2013 and Rule 11 of the Companies (Audit and Auditors') Rules, 2014 including the Companies (Auditors' Report) Order, 2016;
2. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
3. 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;
4. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flows Statement dealt with by this Report are in agreement with the books of account;



5. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013.
6. In our opinion, the standalone Ind AS financial statements dealt with by this report are translated from Malaysian Ringgit to Indian Rupees by adopting the applicable rates of foreign currency for the year in accordance with Ind AS-21 prescribed by the Companies (Indian Accounting Standard) Rules, 2015.

For **R.S.SANGHAI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 109094W




R.S.SANGHAI
Partner
Membership No.: 036931

Place: Mumbai
Date: 27th May, 2019

ASCEND LABORATORIES SDN BHD
FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2018
		RM	Rs.	RM	Rs.
I. ASSETS					
1 Current assets					
(a) Financial Assets					
(i) Cash and cash equivalents	2.1	76,523	1,298,751	76,523	1,285,160
Total current asset		76,523	1,298,751	76,523	1,285,160
TOTAL ASSETS		76,523	1,298,751	76,523	1,285,160
II. EQUITY AND LIABILITIES					
1 Equity					
(a) Equity Share Capital	2.2	2	30	2	30
(b) Other Equity (Refer Statement of changes in equity)		(5,918)	(100,436)	-	4
Total equity		(5,916)	(100,406)	2	34
2 Current liabilities					
(a) Financial Liabilities					
(i) Other financial liability	2.3	82,439	1,399,157	76,521	1,285,126
Total current liability		82,439	1,399,157	76,521	1,285,126
TOTAL EQUITY AND LIABILITIES		76,523	1,298,751	76,523	1,285,160

Significant Accounting Policies

Notes to accounts

The accompanying notes are an integral part of financial statements

1B

2

As per our attached report of even date

For R.S.Sanghai & Associates

Chartered Accountants

Firm's registration number: 109094W

R.S.Sanghai

Partner

Membership Number: 036931

Place : Mumbai

Dated : 27th May, 2019



For and on behalf of the Board of Ascend Laboratories Sdn Bhd

Joseph Fernandes
Director

ASCEND LABORATORIES SDN BHD
FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note No.	For the Year ended 31st March, 2019	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2018
		RM	Rs.	RM	Rs.
1 Income					
(a) Revenue from Operations		-	-	-	-
(b) Other Income		-	-	-	-
Total Income		-	-	-	-
2 Expenses					
(a) Other expenses	2.4	5,918	101,054	-	-
Total Expenses		5,918	101,054	-	-
3 Profit before tax (1) - (2)		(5,918)	(101,054)	-	-
4 Tax expenses		-	-	-	-
5 Profit for the period (3) - (4)		(5,918)	(101,054)	-	-
6 Other Comprehensive Income					
(a) Items that will be reclassified to profit or loss					
(i) Foreign Currency Translation Difference		-	614	-	5
Total of Other Comprehensive Income for the period, net of tax		-	614	-	5
7 Total Comprehensive Income for the period (5) + (6)		(5,918)	(100,440)	-	5
8 Basic and diluted earnings per share	2.5	(2,959)	(50,527)	-	-

Significant Accounting Policies

1B

Notes to accounts

2

The accompanying notes are an integral part of financial statements

As per our attached report of even date

For R.S.Sanghai & Associates

Chartered Accountants

Firm's registration number: 109094W

R.S.Sanghai

Partner

Membership Number: 036931

Place : Mumbai

Dated : 27th May, 2019



For and on behalf of the Board of Ascend Laboratories Sdn Bhd

Joseph Fernandes
Director

ASCEND LABORATORIES SDN BHD
FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019		As at 31st March, 2018		RM
	No. of Shares	Amount	No. of Shares	Amount	
Balance at the beginning of the reporting period	2	2	2	2	
Changes in equity share capital during the year	-	-	-	-	
Balance at the end of the reporting period	2	2	2	2	

	As at 31st March, 2019		As at 31st March, 2018		Rs.
	No. of Shares	Amount	No. of Shares	Amount	
Balance at the beginning of the reporting period	2	30	2	30	
Changes in equity share capital during the year	-	-	-	-	
Balance at the end of the reporting period	2	30	2	30	

Other Equity				RM
Particulars	Reserves and Surplus	Items of OCI	Total other equity	
	Retained Earnings	(i) Foreign Currency Translation Difference		
Balance at 1st April 2017			-	
Total Comprehensive income for the year ended 31st March 2018				
Profit for the year		-	-	
Other Comprehensive Income			-	
Balance at 31st March, 2018	-	-	-	
Total Comprehensive income for the year ended 31st March 2019				
Profit for the year	(5,918)	-	(5,918)	
Other Comprehensive Income			-	
Balance at 31st March, 2019	(5,918)	-	(5,918)	

Other Equity				Rs.
Particulars	Reserves and Surplus	Items of OCI	Total other equity	
	Retained Earnings	(i) Foreign Currency Translation Difference		
Balance at 1st April, 2017	-	(1)	(1)	
Total Comprehensive income for the year ended 31st March 2018				
Profit for the year	-		-	
Other Comprehensive Income	-	5	5	
Balance at 31st March, 2018	-	4	4	
Total Comprehensive income for the year ended 31st March 2019				
Profit for the year	(101,054)	-	(101,054)	
Other Comprehensive Income	-	614	614	
Balance at 31st March, 2019	(101,054)	618	(100,436)	

The Description of the nature and purpose of each reserve within equity:

Retained Earnings: Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends paid to shareholders.

As per our attached report of even date
For R.S.Sanghai & Associates
Chartered Accountants
Firm's registration number: 109094W

R.S.Sanghai
Partner
Membership number: 036931
Place : Mumbai
Dated : 27th May, 2019



For and on behalf of the Board of Ascend Laboratories Sdn Bhd

Joseph Fernandes
Director

ASCEND LABORATORIES SDN BHD
FINANCIAL STATEMENTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Year ending 31st March, 2019		Year ending 31st March, 2018	
	RM	Rs.	RM	Rs.
A. Cash Flow from Operating activities				
Profit before Tax	(5,918)	(101,054)	-	-
Operating Profit before Working Capital Changes	(5,918)	(101,054)	-	-
Adjustments for :				
Increase in Other Current Liabilities	5,918	114,030	76,521	1,285,126
Cash (used in) / Generated from Operations	-	12,976	76,521	1,285,126
Net cash (used in) /generated from operating activities	-	12,976	76,521	1,285,126
B. Cash Flow from Investing activities	-	-	-	-
C. Cash Flow from Financing activities	-	-	-	-
Net Increase/(decrease) in cash and cash equivalents	-	12,976	76,521	1,285,126
Cash and cash equivalents at the beginning of the year	76,523	1,285,160	2	29
Cash and cash equivalents at the end of the year	76,523	1,298,136	76,523	1,285,155

Notes :

1) Cash and cash equivalents include :

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	RM	Rs.	RM	Rs.
Cash and Bank balances (Refer Note 2.1)	76,523	1,298,751	76,523	1,285,160
Exchange difference (Unrealised (Gain) / Loss)	-	(615)	-	(5)
Total	76,523	1,298,136	76,523	1,285,155

2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) on Cash Flow Statement.

As per our attached report of even date

For R.S.Sanghai & Associates

Chartered Accountants

Firm's registration number: 109094W

R.S. Sanghai

R.S. Sanghai

Partner

Membership Number: 036931

Place : Mumbai

Dated : 27th May, 2019



For and on behalf of the Board of Ascend Laboratories Sdn Bhd

Joseph Fernandes
Joseph Fernandes
Director

1A GENERAL INFORMATION

These financial statements are prepared solely for the purposes of consolidation by the holding company, Alkem Laboratories Ltd.

1B SIGNIFICANT ACCOUNTING POLICIES:**1.1 Basis of preparation of Financial Statements:****a) Statement of compliance**

The financial statements of the Company as at and for the year ended 31st March, 2019 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

The Financial statement are prepared in INR which is its presentation currency along with RM which is its functional currency.

b) Basis of preparation and presentation

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) it is expected to be settled in normal operating cycle,
- b) it is held primarily for the purpose of trading,
- c) it is due to be settled within twelve months after the reporting period
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

1.3 Earnings per share ('EPS')

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

1.4 Foreign currencies Transactions & Translation**i. Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions. The functional currency of the Company is Malaysian Ringgit (RM).

ii. Foreign Operations:

The assets and liabilities of foreign operations, and fair value adjustments arising on acquisition, are translated into Indian Rupees at the exchange rates at the reporting date.

The income and expenses of foreign operations are translated into Rs. at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency differences are recognized in OCI and accumulated in the translation reserve.

When a foreign operation is disposed of in its entirety or partially, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.



Particulars	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2018
	RM	Rs.	RM	Rs.
2.1 : Cash and Cash Equivalents:				
Cash on hand	2	34	2	34
Balance with Banks:				
In Current Accounts	76,521	1,298,717	76,521	1,285,126
TOTAL	76,523	1,298,751	76,523	1,285,160
2.2 : EQUITY SHARE CAPITAL:				
Authorised:				
100,000 Ordinary Shares of RM 1/- each	100,000	1,489,520	100,000	1,489,520
(Previous year 100,000 Ordinary Shares of RM 1/- each				
TOTAL	100,000	1,489,520	100,000	1,489,520
Issued, subscribed & paid up:				
2 Ordinary Shares of RM 1/- each	2	30	2	30
(Previous Year 2 Ordinary Shares of RM 1/- each)				
TOTAL	2	30	2	30

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	RM	Number	RM
At the commencement of the year	100,000	2	100,000	2
At the end of the year	100,000	2	100,000	2

(c) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholders:	As at 31st March, 2019		As at 31st March, 2018	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
Alkem Laboratories Limited	2	100.00%	2	100.00%

Particulars	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2018
	RM	Rs.	RM	Rs.
2.2 OTHER EQUITY				
Retained Earnings:				
At the commencement of the period/year	-	-	-	-
Add: Profit for the period/year	(5,918)	(101,054)	-	-
At the end of the period/year	(5,918)	(101,054)	-	-
Other Comprehensive Income:				
At the commencement of the period/year	-	4	-	(1)
Add: Profit for the period/year	-	614	-	5
At the end of the period/year	-	618	-	4
TOTAL	(5,918)	(100,436)	-	4
2.3 : OTHER FINANCIAL LIABILITY				
Others payables	82,439	1,399,157	76,521	1,285,126
TOTAL	82,439	1,399,157	76,521	1,285,126

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2018
	RM	Rs.	RM	Rs.
2.4 : OTHER EXPENSES:				
Legal and professional Fees	5,918	101,054	-	-
TOTAL	5,918	101,054	-	-



ASCEND LABORATORIES SDN BHD

NOTE 2: NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

2.5 Earnings per share (EPS)

RM				
Particulars			Year ended 31 March, 2019	Year ended 31 March, 2018
Profit /(loss) after tax attributable to equity shareholders	RM	A	(5,918)	-
Weighted average number of equity shares outstanding during the year	Nos.	B	2	2
Basic and diluted earnings per equity share	RM	(A / B)	(2,959)	-

Rs.				
Particulars			Year ended 31 March, 2019	Year ended 31 March, 2018
Profit /(loss) after tax attributable to equity shareholders	Rs.	A	(101,054)	-
Weighted average number of equity shares outstanding during the year	Nos.	B	2	2
Basic and diluted earnings per equity share	Rs.	(A / B)	(50,527)	-

2.6 Average exchange rate as on 31st March, 2019 considered for the purpose of translation as referred in note no. 1.4 is Rs.17.076/1RM (Rs.15.463/1RM)

Closing exchange rate as on 31st March, 2019 considered for the purpose of translation as referred in note no.1.4 is Rs. 16.972/1RM .(Rs.16.794/1RM)



ASCEND LABORATORIES SDN BHD

NOTE 2: NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

2.7 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March, 2019

List of related parties and their relationship

A Company whose control exists

Name of the Company	Country of Incorporation
Alkem Laboratories Limited	India

B Fellow Subsidiaries

Name of the Companies	Country of Incorporation
Cachet Pharmaceuticals Pvt. Ltd.	India
Indchemie Health Specialities Pvt. Ltd.	India
Enzene Biosciences Ltd.	India
Alkem Foundation	India
The Pharamanetwork, LLC (wholly owned subsidiary of S & B holdings B.V.)	United States of America
Ascend Laboratories, LLC (wholly owned by The Pharma Network, LLP)	United States of America
S & B Pharma Inc.	United States of America
Ascend Laboratories (UK) Ltd.	United Kingdom
S & B Holdings B.V.	Netherlands
Alkem Laboratories (PTY) Limited	South Africa
Ascend Laboratories Ltd.	Canada
The Pharma Network, LLP	Kazakhstan
Ascends Laboratories SpA	Chile
Pharma Network SpA (Wholly owned by Ascend Laboratories SpA)	Chile
Alkem Laboratories Corporation	Philippines
Ascend GmbH (formerly known as Alkem Pharma GmbH)	Germany
Pharmacor Pty Limited	Australia
Alkem Laboratories Korea Inc	Korea
Pharmacor Ltd.	Kenya
Alkem Laboratories (NIG) Limited (Liquidated on 6th May 2018)	Nigeria

C Key Managerial Personnel ("KMP")

Name of the KMP	Designation
Mr. Mahadi Bin Nordin	Director
Mr. Joseph Fernandes	Director

Balance due from / to the related Parties

Sr. No.	Particulars	Holding Company	
		RM	Rs.
1	Other Payable	76,521	1,298,714
		(76,521)	(1,285,126)

* Figures in the brackets are the corresponding figures of the previous year.



2.8 Financial instrument fair values and risk management

A. Accounting classification and fair values

	As at 31st March 2019							
	Carrying amount (RM)				Carrying amount (Rs)			
	FVTPL	FVTOCI	Amortised Cost	Total	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets								
Cash and cash equivalents	-	-	76,523	76,523	-	-	1,298,751	1,298,751
	-	-	76,523	76,523	-	-	1,298,751	1,298,751
Financial liabilities								
Trade and other payables	-	-	82,439	82,439	-	-	1,399,157	1,399,157
	-	-	82,439	82,439	-	-	1,399,157	1,399,157

	As at 31st March 2018							
	Carrying amount (RM)				Carrying amount (Rs)			
	FVTPL	FVTOCI	Amortised Cost	Total	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets								
Cash and cash equivalents	-	-	76,523	76,523	-	-	1,285,160	1,285,160
	-	-	76,523	76,523	-	-	1,285,160	1,285,160
Financial liabilities								
Trade and other payables	-	-	76,521	76,521	-	-	1,285,126	1,285,126
	-	-	76,521	76,521	-	-	1,285,126	1,285,126

The Company has no exposure to the following risks arising from financial instruments:

- Credit risk and
- Liquidity risk

i. 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, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. 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.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

31st March, 2019	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
RM							
Non-derivative financial liabilities							
Other financial liability	82,439	82,439	-	82,439	-	-	-
Rs.							
Non-derivative financial liabilities							
Other financial liability	1,399,157	1,399,157	-	1,399,157	-	-	-
31st March, 2018	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
RM							
Non-derivative financial liabilities							
Other financial liability	76,521	76,521	-	-	76,521	-	-
Rs.							
Non-derivative financial liabilities							
Other financial liability	1,285,126	1,285,126	-	-	1,285,126	-	-



2.9 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after 1 April 2019:

Ind AS 116, Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. The Company has assessed the estimated impact that initial application of Ind AS 116 will have on its standalone financial statements, as described below:

Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company will recognise new assets and liabilities for its operating leases of offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

No significant impact is expected for the Company's leases.

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Company's standalone financial statements:

- Amendments to **Ind AS 103, Business Combinations**, and **Ind AS 111, Joint Arrangements**: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.

- Amendments to **Ind AS 109, Financial Instruments**: amendments relating to the classification of particular pre payable financial assets

- Amendments to **Ind AS 12, Income Taxes**, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

- Amendment to **Ind AS 19, Employee Benefits** - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest)

- Amendments to **Ind AS 23, Borrowing Costs**, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

As per our attached report of even date

For R.S.Sanghai & Associates

Chartered Accountants
Firm's registration number: 109094W

R.S.Sanghai

Partner

Membership Number: 036931

Place : Mumbai

Dated : 27th May, 2019



For and on behalf of the Board of Ascend Laboratories Sdn Bhd

Joseph Fernandes

Director