GUPTA MITTAL & ASSOCIATES

CHARTERED ACCOUNTANTS

PH. NO. : 0141-2355890
MOBILE NO. : 9352099990
email : camukesh99@gmail.com
624, ELEMENTS MALL
DCM. AJMER ROAD
JAIPUR-302021

INDEPENDENT AUDITOR'S REPORT

To the Members of
KINEDEX HEALTHCARE PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **Kinedex Healthcare Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31st, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 there under. 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 financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017,

(ii) In the case of Statement of Profit and Loss, of the **Loss** for the period then ended.

(iii) In the case of Cash Flow Statement of the company for the period then ended.

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 sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by section 143(3) of the Act, we further 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 purpose of our audit;

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

   c) the Balance Sheet and Statement of Profit and Loss and Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act;

   e) on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;

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

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

i. The Company does not have any pending litigations which would impact its financial position in its financial statements.
ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
iv. The company had provided requisite disclosures at Note No 25 of financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

For **Gupta Mittal & Associates**
Chartered Accountants
(FRN. 013906C)

(**CA. Mukesh Kumar Gupta**)
Partner
Membership No. 079027

Place : Jaipur
Dated : 10/05/2017

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Annexure - A to the Auditors' Report of Kinedex Healthcare Private Limited

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the period ended 31st, March 2017, we report that:

(i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) These fixed assets have been physically verified by the management at reasonable intervals, no material discrepancies were noticed on such verification.
(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 are held in the name of the Company.

(ii) The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies have been noticed.

(iii) The company has not granted any loans, unsecured to any party covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted any deposits from the public.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 on 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 provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

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According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, Employees state insurance income tax, sales tax, excise duty, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no disputed dues of income tax, sales tax, duty of excise, service tax and value added tax.

(viii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of loans or borrowings from any financial institution, banks, or government during the year. The company has not issued any debentures.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans raised has been utilised by the Company for the purpose for which the same has been taken.

(x) As per information and explanations given by the management no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The provisions of section 197 relating to managerial remuneration are not applicable being a private limited company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with the related parties are in compliance with section 188 of Companies Act, 2013 wherever applicable, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the company being a private limited company.

(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.

(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.

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(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Gupta Mittal & Associates**
Chartered Accountants
(FRN. 013906C)

(**CA. Mukesh Kumar Gupta**)
Partner
Membership No. 079027

Place : Jaipur
Dated : 10/05/2017

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"Annexure B" to the Auditors Report

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 **Kinedex Healthcare Private Limited** ("the Company") as of March 31st, 2017 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

Auditors' Responsibility

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

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

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

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Gupta Mittal & Associates**
Chartered Accountants
(FRN. 013906C)

(**CA. Mukesh Kumar Gupta**)
Partner
Membership No. 079027
Place : Jaipur
Dated : 10/05/2017

KINEDEX HEALTHCARE PVT LTD.

Balance Sheet as at 31st March, 2017

(Rs.in millions)

Particulars	Note No.	As at March 31, 2017
I. EQUITY AND LIABILITIES :		
(1) Shareholders' Funds		
(a) Share capital	2	1.83
(b) Reserves and surplus	3	-58.88
(2) Non current liabilities		
(a) Long-term borrowings	4	4.94
(b) Other long-term liabilities	5	8.11
(c) Long-term provisions	6	23.95
(3) Current liabilities		
(a) Short-term borrowings	7	84.25
(b) Trade payables		
Due to micro and small enterprises		-
Due to others	8	86.48
(c) Other current liabilities	9	7.68
(d) Short-term provisions	10	4.32
Total		**162.68**
II. ASSETS :		
(1) Non current assets		
(a) Fixed assets		
(i) Tangible assets	11	10.68
(ii) Intangible assets		-
(b) Deferred tax assets (net)	12	24.90
(2) Current assets		
(a) Inventories	13	54.92
(b) Trade receivables	14	61.85
(c) Cash and cash equivalents	15	1.12
(d) Short-term loans and advances	16	9.21
Total		**162.68**

See accompanying notes forming part of the financial statements

In terms of our report attached

For Gupta Mittal & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Mukesh Kumar Gupta
Partner
Membership No. : 079027
Place: Jaipur
Date: 10/05/2017

Rajesh Dhuria
Director
DIN: 00456596

Rakesh Dhuria
Director
DIN: 02814751

KINEDEX HEALTHCARE PVT LTD.

Statement of Profit and Loss for the period from 23rd November, 2016 to 31st March, 2017

(Rs.in millions)

	Particulars	Note No.	For the Period 23rd November, 16 to 31st March, 17
	REVENUE:		
1.	(a) Revenue from operations (net)	17	171.57
	(b) Other Income	18	0.93
	Total Revenue (I)		**172.50**
2.	**EXPENSES:**		
	(a) Purchases of stock-in-trade		76.29
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(10.18)
	(c) Employee benefits expense	20	55.16
	(d) Other expenses	21	93.17
	Total (II)		**214.44**
3.	**Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (I -II)**		**(41.94)**
4.	Finance costs	22	3.42
5.	Depreciation and amortisation expense	11	1.25
6.	**Profit before exceptional items and tax (3-4-5)**		**(46.61)**
7.	**Profit before tax**		**(46.61)**
8.	Tax expenses / (benefit):		
	(a) Current tax expense		-
	(b) Deferred tax credit		(15.22)
	Net tax expense		**(15.22)**
9.	**Profit for the year (7- 8)**		**(31.39)**
	Earnings per equity share of Rs. 10 each		
	Basic and Diluted (Rs.) *(Refer Note 28)*		**(486.66)**
	See accompanying notes forming part of the financial statements		

In terms of our report attached

For Gupta Mittal & Associates

Chartered Accountants

For and on behalf of the Board of Directors

Mukesh Kumar Gupta
Partner
Membership No. : 079027
Place: Jaipur
Date: 10/05/2017

Rajesh Dhuria
Director
DIN: 00456596

Rakesh Dhuria
Director
DIN: 02814751

KINEDEX HEALTHCARE PVT LTD

Cash Flow Statement for the year ended 31st March, 2017

(Rs. in millions)

Particulars	For the year ended March 31, 2017
A. Cash flow from operating activities	
Profit / (Loss) before tax	(46.61)
Adjustments for :	
Depreciation and amortisation expense	1.25
Finance costs	3.42
Interest income	(0.01)
Operating profit before working capital changes	(41.95)
Changes in working capital:	
Adjustments for (increase) / decrease in operating assets:	
Trade receivables	34.69
Inventories	(10.19)
Loans and advances	(1.85)
Adjustments for increase / (decrease) in operating liabilities:	
Trade payable, liabilities & provisions	(14.20)
Other long-term liabilities	0.01
Long-term provisions	12.26
Trade Payables	(9.90)
Other Current Liabilities	3.77
Short Term Provisions	(20.34)
Cash generated from operations	(33.50)
Net cash flow from operating activities (A)	**(33.50)**
B. Cash flow from investing activities	
Purchase of Fixed assets	(0.44)
Bank balances not considered as cash and cash equivalents-Placed	(0.01)
Interest income	0.01
Net cash used in investing activities (B)	**(0.44)**
C. Cash flow from financing activities	
(Repayment)/Proceeds of/from long-term borrowings	22.62
Finance costs	(3.42)
Net cash flow from / (used in) financing activities (C)	**19.20**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(14.74)
Cash and cash equivalents at the begining of the year	**15.63**
Cash	0.16
Bank	15.47
Cash and cash equivalents at end of the year {Refer note-15 (a) }	**0.89**
Cash	0.18
Bank	0.71

Significant accounting policies

Footnotes:

(i) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3- Cash Flow Statements.

(ii) Cash and Cash Equivalents:

Cash on hand	0.18
Balance with banks	0.71
In Current Account	
Cash and Cash Equivalents as per Cash flow statement {Refer note- 15(a)}	**0.89**

In terms of our report attached

For Gupta Mittal & Associates
Chartered Accountants

Mukesh Kumar Gupta
Partner
Membership No. : 079027
Place: Jaipur
Date: 10/05/2017

For and on behalf of the Board of Directors

Rajesh Dhuria
Director
DIN: 00456596

Rakesh Dhuria
Director
DIN: 02814751

KINEDEX HEALTHCARE PVT LTD.

Significant Accounting Policies

Corporate Information:

Kinedex Healthcare Private Limited (“the Company”) was incorporated on 18/09/2002. The company is engaged in the business of marketing and selling of pharma products.

Note 1: Significant accounting policies :

1.1 Basis of accounting and preparation of financial statements :

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention and the accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Use of estimates :

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

1.3 Operating cycle :

All the assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.4 Revenue recognition :

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods have been transferred to the customer. Sales are shown net of discounts and sales returns .

Provision for sales returns are estimated on the basis of historical experience of management, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, past experience of management and projected market conditions.

1.5 Fixed assets :

Fixed assets are stated at cost of acquisition/construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition of fixed assets till assets are put to use, are capitalized. 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 comprises of the cost incurred for fixed assets that are not yet ready for their intended use as at the balance sheet date.

KINEDEX HEALTHCARE PVT LTD.

Significant Accounting Policies

1.6 Depreciation and amortization :

Depreciation on fixed Assets (other than ‘Land’ where no depreciation is provided), is provided on the “Written Down Value Method” (WDV) based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 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, etc. Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are put to use.

1.7 Impairment of assets :

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized to the extent the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset’s net selling price and 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.

1.8 Inventories :

a. Inventories are valued at the lower of cost and net realizable value. Cost includes all charges in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.

b. Stock-in-trade is valued at the lower of cost and net realizable value.

1.9 Cash and cash equivalents :

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.10 Cash flow statement :

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

1.11 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 the same as basic earnings per share as the company is not having any dilutive potential equity shares outstanding during the year. The number of equity shares are adjusted for share splits and bonus shares, as appropiate.

KINEDEX HEALTHCARE PVT LTD.

Significant Accounting Policies

1.12 Employee Benefits :

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

(a) Long Term :

(A) **Defined contribution plan :**

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

(B) **Defined benefit plan :**

The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(b) Short term : Short term employee benefits are recognized as an expense in the statement of Profit and Loss at the undiscounted amount of the employee benefits paid during the year. These benefits include gratuity which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

1.13 Taxes on Income :

The Company’s income taxes include current tax on the Company’s taxable profits, adjustments attributable to earlier periods and changes in deferred taxes. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the

Deferred tax is recognized on timing difference between estimated taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s) and is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

1.14 Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable

Contingent liability is disclosed for :

a. Possible obligations which will be confirmed only by future events not wholly within the control of the
b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognized in the financial statements.

1.15 Leases :

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

1.16 Foreign currency transactions and translation :

Transactions in foreign currencies entered into by the Company are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

1.17 EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expenses, finance costs, tax expenses and exceptional items.

Note 2: Share capital

(Rs.in millions)

Particulars	As at March 31, 2017
Authorised:	
5,00,000 No. of Equity Shares of ₹10 each	5.00
Total	**5.00**
Issued, Subscribed and Fully Paid-up :	
182504 Equity Shares of ₹10 each fully paid up	1.83
Total	**1.83**

2.1 Reconciliation of the number of equity shares and amount outstanding at 23rd November' 16 and at the end of the year:

Equity Shares	As at March 31, 2017	
	No. of equity shares	₹ in millions
Shares outstanding at 23rd November' 2016	1,82,504	1.83
Shares outstanding at the end of the year	1,82,504	1.83

2.2 Details of shareholders holding more than 5 % equity shares in the company as at the end of the year

Name of the shareholder	As at March 31, 2017	
	No. of equity shares held	% of Shareholding
Rajesh Dhuria	32,507	17.81%
Rakesh Dhuria	12,239	6.71%
Eris Lifesciences Limited	1,37,758	75.48%
	1,82,504	**100%**

2.3 Terms / Rights attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Note 3: Reserves and surplus

(Rs.in millions)

Particulars	As at March 31, 2017
General reserve (A)	**0.17**
Securities Premium (B)	**106.56**
Surplus in the Statement of Profit and Loss (C)	
Opening balance	(134.22)
Add: Profit for the year	(31.39)
Closing balance	**(165.61)**
Total (A+B+C)	**(58.88)**

Note 4: Long-term borrowings

(Rs.in millions)

Particulars	As at March 31, 2017
Term loan	
Secured term loan from bank (Refer note below)	6.48
Less: Current maturities of long-term debt *(Refer note-9)*	1.54
Total	**4.94**

NOTE

LOAN	NATURE OF SECURITY & TERMS OF REPAYMENT
1	Car Loan from HDFC, Secured by exclusive and specific charge of Car (Honda Amez). Interest rate 10.50% and Repayable in 60 monthly installments commencing from January 2014. Last installment due in Decmber 2018.
2	Car Loan from Axis Bank, Secured by exclusive and specific charge of Car (Maruti Ertiga). Interest rate 10.70% and Repayable in 60 monthly installments commencing from October 2013. Last installment due in Septmber 2018.
3	Car Loan from Kotak Mahindra Prime Ltd, Secured by exclusive and specific charge of Car (AUDI A6 35 TDI). Interest rate 9.10% and Repayable in 60 monthly installments commencing from MARCH 2016. Last installment due in FEB 2021.
4	Car Loan from Kotak Mahindra Prime Ltd, Secured by exclusive and specific charge of Car (FORD ENDEAVOUR). Interest rate 9.10% and Repayable in 60 monthly installments commencing from SEPT 2016. Last installment due in JUL 2021.

Note 5: Other long-term liabilities

(Rs.in millions)

Particulars	As at March 31, 2017
Trade deposits	8.10
Operating lease Liabilities	0.01
Total	**8.11**

KINEDEX HEALTHCARE PVT LTD.

Notes on financial statement for the year ended March 31, 2017

Note 6: Long-term provisions

(Rs.in millions)

Particulars	As at March 31, 2017
Provision for employee benefits	
Compensated absences	2.05
Gratuity	6.24
Other Provision	
Provision for sales returns *(Refer note-27)*	15.66
Total	**23.95**

Note 7: Short term borrowings

(Rs.in millions)

Particulars	As at March 31, 2017
Short term borrowing:	
From Holding Company	84.25
From Others	-
Total	**84.25**

Note 8: Trade payables

(Rs.in millions)

Particulars	As at March 31, 2017
Trade payables	
Other than acceptances	
Due to micro and small enterprises	-
Due to others	86.48
Total	**86.48**

Note 9: Other current liabilities

(Rs.in millions)

Particulars	As at March 31, 2017
Current maturities of long-term debt *(Refer note-4)*	1.54
Other payables:	
Statutory liabilities	6.14
Total	**7.68**

Note 10: Short-term provisions

(Rs.in millions)

Particulars	As at March 31, 2017
Provision for employee benefits	
Compensated absences	0.12
Gratuity	0.28
Provision for sales returns *(Refer note-27)*	3.92
Total	**4.32**

KINEDEX HEALTHCARE PVT LTD.

Note 11: Fixed Assets

(Rs.in millions)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 23rd November 2016	Additions During the Year	Deductions/ Adjustments during the year	Balance as at March 31, 2017	Balance as at 23rd November 2016	Additions During the Year	Deductions during the year	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at 22nd November 2016
(a) Tangible Assets										
Land	-	-	-	-	-	-	-	-	-	-
Building	0.52	-	-	0.52	0.27	0.01	-	0.28	0.24	0.25
Equipments	12.88	0.37	-	13.25	10.06	0.39	-	10.45	2.80	2.82
Vehicles	13.06	0.07	-	13.13	4.81	0.84	-	5.65	7.48	8.25
Furnitures and Fixtures	0.65	-	-	0.65	0.48	0.01	-	0.49	0.16	0.17
Total	**27.11**	**0.44**	**-**	**27.55**	**15.62**	**1.25**	**-**	**16.87**	**10.68**	**11.49**
Grand Total	**27.11**	**0.44**	**-**	**27.55**	**15.62**	**1.25**	**-**	**16.87**	**10.68**	**11.49**

Note 12: Deferred tax assets (net)

(Rs.in millions)

Particulars	As at March 31, 2017
Deferred tax assets	
On difference between book balance and tax balance of fixed assets	1.36
Compensated absences	0.67
Retirement Benefits	2.01
Lease Rent Equilisation	0.00
Carry Forward of Business Losses	20.89
Total	**24.90**

Note 13: Inventories

(At lower of cost and net realisable value) *'s.in millions)*

Particulars	As at March 31, 2017
Stock-in-trade (includes Stock in transit of Rs.1.66)	54.92
Total	**54.92**

Note 14: Trade receivables

(Rs.in millions)

Particulars	As at March 31, 2017
Unsecured, considered good	
Outstanding for a period exceeding six months from the date they were due for payment	18.76
Others	43.09
Total	**61.85**

Note 15: Cash and cash equivalents

(Rs.in millions)

Particulars	As at March 31, 2017
(a) Cash and cash equivalents	
Cash on hand	0.18
Balances with banks in current accounts	0.71
(b) Other bank balances	
In fixed deposit accounts having original maturity of more than 3 months	0.23
Total	**1.12**

Note 16: Short-term loans and advances

(Rs.in millions)

Particulars	As at March 31, 2017
Unsecured, considered good	
Security deposits	4.27
Loans and advances to employees	1.87
Prepaid expenses	1.02
Advance income tax (net of provision)	0.03
Advance recoverable in cash or kind or for value to be received (includes advances to suppliers)	2.02
Total	**9.21**

KINEDEX HEALTHCARE PVT LTD.

Notes on financial statement for the Period from 23rd November, 16 to March 31, 2017

Note 17: Revenue from operations

(Rs.in millions)

Particulars	For the Period 23rd November, 16 to 31st March, 17
Sale of products	171.57
Total	**171.57**

(17.1) **Details of Products sold**

Tablets and Capsules	53.94
Other	117.63
Total	**171.57**

Note 18: Other income

(Rs.in millions)

Particulars	For the Period 23rd November, 16 to 31st March, 17
Interest income	0.01
Net gain on current investments sold	0.21
Miscellaneous income	0.71
Total	**0.93**

Note 19: Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade

(Rs.in millions)

Particulars	For the Period 23rd November, 16 to 31st March, 17
Opening stock	
Stock-in-trade	44.73
	44.73
Less: Closing stock	
Stock-in-trade	54.91
	54.91
Net (Increase) / decrease in stocks	**(10.18)**

Note 20: Employee benefits expenses

(Rs.in millions)

Particulars	For the Period 23rd November, 16 to 31st March, 17
Salaries, wages and bonus	48.91
Contribution to provident and other funds	3.66
Staff welfare expenses	2.59
Total	**55.16**

KINEDEX HEALTHCARE PVT LTD.

Notes on financial statement for the Period from 23rd November, 16 to March 31, 2017

Note 21: Other expenses

(Rs.in millions)

Particulars	For the Period 23rd November, 16 to 31st March, 17
Power and fuel	0.19
Rent *(Refer note-26)*	2.47
Freight and forwarding	2.08
Commission	6.79
Donation	0.05
Advertising, publicity and awareness	47.41
Repairs and maintenance	
Buildings	0.08
Other	0.43
Selling and distribution	3.86
Travelling and conveyance	23.97
Communication	0.37
Legal and professional	1.27
Payment to Statutory Auditor - For Audit	0.04
Rates and taxes	1.68
Insurance	0.18
Bank charges	0.08
Miscellaneous	2.22
Total	**93.17**

Note 22: Finance cost

(Rs.in millions)

Particulars	For the Period 23rd November, 16 to 31st March, 17
Interest expense on borrowings	3.42
Total	**3.42**

Note 23: Related Party Disclosures

List of Related Parties and description of their relationship is as follows:

Sr. No	Name of the entity		Relationship
1	RAJESH DHURIA		Director
2	RAKESH DHURIA		Director
3	ERIS LIFESCIENCES LTD.		Holding Company

Transactions with related parties in ordinary course of business are as follows: *(Rs.in millions)*

Sr. No	Particulars	Relationship	For the period 23rd November, 2016 to March 31, 2017
1	**RAJESH DHURIA**	**Key Managerial Personnel**	0.93
	SALARY		
2	**RAKESH DHURIA**	**Key Managerial Personnel**	0.50
	SALARY		
3	**ERIS LIFESCIENCES LTD.**	**Holding Company**	
	INTEREST ON LOAN		2.50
	LOAN ACCEPTED (NET)		82.00

Balances with related parties as at end of the year / period

Sr. No	Particulars	Relationship	As at March 31, 2017
1	**ERIS LIFESCIENCES LTD.**	**Holding Company**	84.25

Note 24: Retirement benefit plans:

A) Defined benefit plans:

The company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 4.5 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

The following table sets out the status of the gratuity plan as required under AS-15 and the amounts recognized in the Company's financial statements as at 31st March, 2017:

(Rs.in millions)

Particulars	March 31, 2017
Change in present value of obligations :	
Obligations at beginning of the year	6.33
Service Cost	0.18
Interest Cost	
Actuarial (gain)/loss	
Benefits paid	
Obligations at the end of the year	6.52
Change in plan assets :	
Fair value of plan assets at the beginning of the year	-
Expenses deducted from the fund	
Expected returns on plan assets	
Actuarial (loss)/gain	
Employer Contributions	
Benefits paid	
Adjustment to the fund	-
Fair Value of plan assets at the end of the year	
Reconciliation of Present Value of Obligation and the fair value of plan assets :	
Present value of the defined benefit obligation at the end of the year	6.52
Less : Fair value of plan assets	-
Funded status [Surplus/(deficit)]	(6.52)
Net liability recognised in the Balance Sheet	(6.52)
Gratuity Cost for the year	
Service Cost	0.18
Interest Cost	-
Expected returns on plan assets	-
Actuarial (gain)/loss	-
Expenses deducted from the fund	-
Adjustment to the fund	-
Net Gratuity cost charged to Statement of Profit and Loss	0.18
Assumptions: (1)	
Discount rate	7.20%
Estimated rate of return on plan assets	NA
Annual increase in salary costs	7.00%

(1) Discount rate used to value the post employment benefit obligation is determined by reference to market yield at the balance sheet date on goverenment bonds.

Expected long term productivity gains & long term risk-free real rate of interest have been used as guiding factors to determine long term salary growth. Future mortality rates are obtained from the relevant table of Indian Assured Lives Mortality (2006-08). Attrition rates are as per management's estimate of the level of attrition in the company over the long term.

Particulars	March 31, 2017
Experience Adjustment	
Defined benefit obligation	6.52
Plan assets	-
Surplus/(deficit)	(6.52)
Experience adjustments on plan liabilities [(Gains) / Losses]	-
Experience adjustments on plan assets [Gains / (Losses)]	-

Investment details of plan assets:

The plan assets are managed by Insurance Company viz Life Insurance Corporation of India who has invested the funds substantially as under:

Particulars	March 31, 2017
	%
Policy of insurance	0%
Deposits with banks in saving account	0%

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016-17.

Note: 25 Specified Bank Notes:

The details of Specified Bank Notes (SBN) held and transacted during the period from 23rd November, 2016 to 30th December, 2016 as provided.

(Rs.in millions)

Particulars	SBNs	Denomination Notes	Total
Closing cash in hand as on November 23, 2016	0.00	0.16	0.16
(+) Permitted receipts	0.00	0.48	0.48
(-) Permitted payments	0.00	-0.45	-0.45
(-) Amount deposited in Banks	0.00	0.00	0.00
Closing cash in hand as on December 30, 2016	**0.00**	**0.19**	**0.19**

Note 26: Details of leasing agreements:

The Company has entered into operating lease agreements for office premises and certain facilities.
The total future minimum lease payments under non-cancellable leases are as below:

(Rs.in millions)

Particulars	As at March 31, 2017
Not later than one year	-
Later than one year and not later than 5 years	5.49
Later than five years	4.07
	9.56

Note 27: Provision for sales return *(Rs.in millions)*

Particulars	Year ended March 31, 2017
Opening Provision	28.84
Add : Provision during the period/year	3.40
Less : Utilisation during the period/year	12.66
Closing Provision	19.58

Note 28: Earnings per share

Sr. No.	Particulars	For the Period 23rd November, 16 to 31st March, 17
1	Net profit after tax for the year *(Rs. in millions)*	(31.39)
2	Weighted average number of equity shares outstanding	64,501
3	Basic and diluted earnings per share (in Rs.)	(486.66)
4	Face value per equity share (in Rs.)	10.00

Note 29: Others

This financial statements has been prepared for the period November 23, 2016 to March 31, 2017. Further, figures are rounded off in Millions.

For and on behalf of the Board of Directors

For Gupta Mittal & Associates
Chartered Accountants

Rajesh Dhuria
Director
DIN: 00456596

Rakesh Dhuria
Director
DIN: 02814751

Mukesh Kumar Gupta
Partner
Membership No. : 079027
Place: Jaipur
Date: 10/05/2017