INDIAN COMPANIES FINANCIALS

FINANCIAL STATEMENTS

M/s. INM TECNOLOGIES PRIVATE LIMITED
BANGALORE

FINANCIAL YEAR : 2016-17

CIN NO: U73100KA2015PTC078494

Year of Incorporation : 2014-15

Directors:	**DIN No's**
1. A.R. Phani	05234035
2. Vishnukant.C.Bhutada	01243391

Regd Office Address:
INM Technologies Private Limited.
 # 4. T.M Industrial Estate
12th K.M Mysore Road
Bangalore -560059.

INM Technologies Private Limited

Part - I - Balance Sheet as at 31st March-2017

(All amount are in Indian Rupees unless otherwise stated)

PARTICULARS	Note	As at		
		31-Mar-17	31-Mar-16	1-Apr-15
ASSETS				
Non Current Assets				
(a) Property Plant & Equipment	3	169,204,659	168,995,142	-
(b) Capital Work in progress	4	-	6,800,118	6,134,114
(c) Other Intangible Assets	5	44,034	29,616	-
(d) Other Non-curent Assets	6	4,066,706	4,501,980	9,366,134
Sub Total (A)		**173,315,398**	**180,326,856**	**15,500,248**
Current Assets				
(a) Inventories	7	418,638	21,836	-
(b) Financial Assets				
(i) Cash and Cash Equivalent	8	1,138,901	517,901	1,087,809
(c) Other Current Assets	9	2,870,778	1,028,790	-
Sub Total (B)		**4,428,317**	**1,568,527**	**1,087,809**
TOTAL (A+B)		**177,743,715**	**181,895,383**	**16,588,057**
EQUITY AND LIABILITIES				
A) Equity				
(a) Equity Share Capital	10	15,000,000	15,000,000	15,000,000
(b) Other Equity		(80,649,918)	(5,120,446)	-
Sub Total (A)		**(65,649,918)**	**9,879,554**	**15,000,000**
B) Liability				
Non-Current Liabilities				
(a)Provisions	11	1,080,263	-	-
(b)Deferred Tax Liability	12	6,555,317	-	-
(c)Other Non-current Liability	13	230,001,700	153,543,700	-
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	14	2,854,423	15,047,912	478,111
(b) Other Current Liabilities	15	699,814	1,375,362	209,482
(c) Short Term Provisions	16	2,202,116	2,048,855	900,464
Sub Total (B)		**5,756,353**	**18,472,129**	**1,588,057**
TOTAL (A+B)		**177,743,715**	**181,895,383**	**16,588,057**

Note Nos 01 to 37 forms an integral part of financial statements

As per our even report attached

For and on behalf of the Board of Directors
For INM Technologies Pvt Ltd

for Bohara Bhandari Bung & Associates
Chartered Accountants
Firm's registration No.008127S/S200013

Sd/-
CA.Pankaj Kumar Bohara
Partner
M.No: 215471

Sd/-
Vishnukant C Bhutada
Director
DIN No.01243391

Sd/-
A.R.Phani
Managing Director
DIN No.05234035

Place/Camp : Raichur
Date: 27-05-2017

INM Technologies Private Limited

Part - II - Statement of Profit and Loss for the Year ended 31st March-2017

(All amount are in Indian Rupees unless otherwise stated)

Particulars	Note	For the Year ended 31st March 2017	For the Year ended 31st March 2016
		Audited	Audited
Revenue			
Revenue from operations		-	-
		-	-
		-	-
Other income	17	65,166	2,002
Total Income		**65,166**	**2,002**
Expenses			
a) Employee Benefits Expense	18	31,916,789	2,269,788
b) Depreciation and Amortisation Expense	3&5	18,035,029	793,624
c) Other Expenses	19	19,087,503	2,059,036
Total expenses		**69,039,321**	**5,122,448**
Profit / (Loss) before tax		**(68,974,155)**	**(5,120,446)**
Tax expense			
i) Deferred Tax		**6,555,317**	
Profit / (Loss) for the year		**(75,529,472)**	**(5,120,446)**
Other Comprehesive Income		-	-
Total Comprehensive income for the year		**(75,529,472)**	**(5,120,446)**
Basic and Diluted EPS per share of Rs.10/- each	22	(50.35)	(3.41)
Note Nos 01 to 37 forms an integral part of financial statements			

As per our even report attached
for Bohara Bhandari Bung & Associates LLP
Chartered Accountants
Firm's registration No.008127S/S200013

Sd/-
CA Pankajkumar Bohara
Partner
M.No.215471

For and on behalf of the Board of Directors
For INM Technologies Pvt Ltd

Sd/-
Vishnukant C Bhutada
Director
DIN No.01243391

Sd/-
A.R.Phani
Managing Director
DIN No.05234035

Place/Camp : Raichur
Date: 27-05-2017

Change in other equity

Particulars	Retained Earnings	Total
Balance at the beginning of the Reporting period as at 01.04.2015	-	-
Restated balance at the beginning of the reporting period	-	-
Total Comprehensive income for the year	(5120446)	(5120446)
Dividends	-	0
Transfer to retained earning	-	0
Any other change (to be specified)	-	0
Balance at the end of the Reporting period as at 31.03.2016	(5120446)	(5120446)
Change in Accouting policy or prior period error	-	-
Restated balance at the beginning of the reporting period	-	-
Total Comprehensive income for the year	(75529472)	(75529472)
Dividends	-	-
Balance at the end of the reporting period as at 31.03.2017	**(80649918)**	**(80649918)**

Note Nos 01 to 37 forms an integral part of financial statements
As per our even report attached

for Bohara Bhandari Bung & Associates LLP
Chartered Accountants
Firm's registration No.008127S/S200013

Sd/-
CA.Pankaj Kumar Bohara
Partner
M.No: 215471

Place/Camp : Raichur
Date: 27-05-2017

For and on behalf of the Board of Directors
For INM Technologies Pvt Ltd

Sd/-	Sd/-
Vishnukant C Bhutada	**A.R.Phani**
Director	**Managing Director**
DIN No.01243391	DIN No. 05234045

INM Technologies Private Limited
Cash Flow Statement for the year ended March 31, 2017
(All amounts in Indian Rupees unless otherwise stated)

Particulars	31/3/2017	31/3/2016
Cash Flows from Operating Activities		
Profits Before Tax (PBT)	(68,974,155)	(5,120,446)
Less: Adjustments		
Interest received	-	-
Unrealized Exchange loss	-	72,577
Liabilities Written back	-	2,002
Profit on sale of Fixed Assets	65,166	-
	(69,039,321)	(5,195,025)
Add: Adjustments		
Provision for Gratuity	1,082,496	-
Depreciation & Amortisation	18,035,029	793,624
Operating profit before working capital changes & Other Adjustments	(49,921,796)	(4,401,401)
Adjustments for Increase / (Decrease) in Operating Liabilities		
- Trade Payables	(13,969,199)	14,570,243
- Other Current Liabilities & Short Term Provisions	(524,520)	1,914,271
Adjustments for (Increase) / Decrease in Operating Receivables		
- Inventories	(396,802)	(21,836)
- Trade Receivables	-	-
- Other Non-current Assets	435,274	(256,000)
- Short Term Loans & Advances & Other Current Assets	(1,841,988)	(1,028,790)
	(66,219,030)	10,776,487
Less: Income Taxes (Net)	-	-
Net Cash flow from Operating activities	**(66,219,030)**	**10,776,487**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Incl.CWIP)	(11,393,680)	(170,484,386)
Sale of Fixed Assets	1,775,710	-
Capital Advances	-	5,194,291
Interest received	-	-
Net cash used in Investing Activities	**(9,617,970)**	**(165,290,095)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Long Term Borrowings	-	-
Share Application money pending allotment	-	400,000
Increase in Share Capital	-	-
Increase in Pref Share Capital	76,458,000	153,543,700
Net Cash earned from Finaning Activities	**76,458,000**	**153,943,700**
Net Increase/(decrease)in Cash and Cash Equivelants	**621,000**	**(569,908)**
Cash & Cash Equivelants at the Beginning of the year	517,901	1,087,809
Cash & Cash Equivelants at the End of the year	**1,138,901**	**517,901**

Components of Cash and Cash Equivalents	**31/3/2017**	**31/3/2016**
Cash on Hand	386,720	13,156
Cash at Banks		
a) In Current Account	752,181	504,745
Total Cash and Cash Equivalents	**1,138,901**	**517,901**

Cash Flow statement has been prepared under Indirect method as per Ind AS-7 "Statement of Cash flows " as prescribed under Companies (Indian Accounting Standard) Rules, 2015.

As per our report of even date attached
for Bohara Bhandari Bung & Associates LLP
Chartered Accountants
Firm's registration No.008127S / S200013

For INM Technologies Pvt Ltd

CA.Pankaj Kumar Bohara
Partner
M.No: 215471

Vishnukant C Bhutada
Director
DIN No.01243391

A.R.Phani
Managing Director
DIN No.05234035

Place/Camp : Raichur
Date: 27-05-2017

1NOTES TO THE FINANCIAL STATEMENTS

CORPORATE INFORMATION

Innovative Nano & Micro Technologies Private Limited Incorporated in the FY 2014-2015 Company has a vision to serve the humanity using Nano technology products. Company drives with Strategic intent "Innovations for All Generations". INM Technologies profile mainly contains: High-tech know-how, competencies and expertise to meet industrial needs and strengthen industrial competitiveness in Asia, Europe, and USA. Expertise in the field of the Materials Engineering Pharmaceutical Technology and service in advanced technology and product development. Scale up process for the developed micro / Nano materials. Based on our research activity and our experience in the chemistry, materials science and engineering, pharmaceutical technology sectors, we develop and integrate nanostructured materials in the products of our customers of various industrial sectors. State of the art facility for synthesis, characterization and analytical testing of Nano products, trained manpower for process design & monitoring has been established and includes 9 departments in the company involving major disciplines namely Biotechnology, Bio-Medical, Analytical and Pharmaceutical, Chemical, Polymer, Coatings, Electronics and Smart materials. INM Technologies has initiated the process to obtain ISO 9001 certification from prestigious TUV Group. After completion of 3 years of establishment i.e., by 2018 January, INM Technologies will apply for DSIR certification.

1. **Basis of Preparation**

i. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

ii. The financial statements for the year ended 31st March, 2016 and the opening Balance Sheet as at 1st April, 2015 have been restated in accordance with Ind AS for comparative information. The financial statements for the year ended on 31st March, 2017 are the first financial statement of the Company under Ind AS. In accordance of Ind AS 101, First time Adoption of Indian Accounting Standard, the Company has given an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows (Refer note 2(C))

iii. The financial statements have been prepared on going concern and accrual basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the 'date of transition to Ind AS'.

The financial statements of the Company for the year ended March 31, 2017 were approved by the Board of Directors on 29/5/2017.

iv. The financial statements have been prepared to comply in all material aspects with applicable accounting principal in India and as notified under the Companies Act 2013 and the other relevant provisions of the Act.

v. The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities as specified and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

1.1 Significant Accounting Policies

a) Critical accounting Estimates and Judgements:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Measurement of defined benefit obligation (Note 1.1 (h))
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.1 ©)
- Recognition of deferred taxes (Note 1.1(o))
- Estimation of impairment (Note 1.1(e))
- Estimation of provision and contingent liabilities (Note 1.1(p))

b) Recent accounting developments

i. Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

ii. Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

iii. Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

c) Property, Plant and Equipment & Depreciation:

i. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

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

iii. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv. Depreciation on Fixed Assets is provided on ascertain useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies act-2013, with exception of those assets whose useful life is ascertain by the management.

v. The Company follows the policy of charging depreciation on pro-rate basis on the assets acquired or disposed off during the year.

vi. Transition to Ind AS:
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

d) Intangible Assets:

Intangible Assets are stated at cost less accumulated amortization. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

Intangible assets are amortized over their useful life.

e) Impairment of Assets:

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

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

f) Inventory:

Inventories are valued at the lower of cost and net realisable value. The cost is determined on FIFO basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

g) Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution plans

Contribution towards Provident Fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution schemes as the Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

Defined benefit plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contributions to LIC.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

h) Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement Profit & Loss on a straight-line basis over the lease term.

i) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Sale of products:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

j) Other Income

i. Interest Income is recognized using the Effective interest rate (EIR) method.
ii. Dividend income is recognized when right to receive is established.

k) Foreign Currency Transactions/Translations:

Initial Recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the Transaction.

Translations

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange Differences

The exchange difference arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized in the Statement of Profit and Loss in the period in which they arise as income or as expense.

l) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Further, interest earned out of borrowed funds from temporary investments is reduced from the borrowing cost.

m) Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

(I) Financial Asset:

Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

(a) Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets 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 are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss. The company while applying above criteria has classified the following at amortized cost:

(a) Trade receivables

(b) Loans

(c) Other financial assets

(b) Financial Assets Measured at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(c) Financial Assets at fair value through profit or loss (FVTPL)

Financial Asset are measured at Fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value , the group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

De-recognition of Financial Assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of Profit & Loss.

Impairment of Financial Assets:

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance

(b) Financial Assets that are debt instruments and are measured at FVTOCI.

(c) Lease receivables under Ind AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset

(e) Loan commitments which are not measured at FVTPL

(f) Financial guarantee contracts which are not measured at FVTPL

(II) Financial Liability

Initial recognition and measurement

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The company is classifying the following under amortized cost

- Borrowings from banks
- Borrowings from others
- Trade payables
- Other Financial Liabilities

Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

n) Taxes on Income:

Tax expense comprises of current and deferred tax.

i. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act.

ii. Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

iii. Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss account as current tax. The Company recognizes MAT credit available as an asset to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss account and shown as "MAT Credit Entitlement".

o) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has 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 estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent Liabilities are not recognized but are disclosed in the notes.

p) Earning per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

q) Government Grant

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented in the balance sheet by setting up the grant as deferred income. Grants related to income are deducted in reporting the related expense in the statement of profit and loss.

2. First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).
Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below.

A. Mandatory Exceptions from retrospective application

Estimates:
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after accounting policies), unless there is an objective evidence that those estimates were in error.
Ind AS estimates as at 1 April, 2015 are consistent with the estimates as at same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Investments in equity instruments carried at FVTPL or FVTOCI
- Investments in debt instruments carried at FVTPL
- Impairment of financial assets based on expected credit loss model.

Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Optional Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.
Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

C. Transition to Ind AS - Reconciliations

There were no significant reconciliation items between Equity, Profit & Loss and cash flows prepared under Indian GAAP and those prepared under Ind AS.

INM Technologies Pvt Ltd
(All amounts in Indian rupees, except share data and where otherwise stated)

Property Plant & Equipment

	Gross Block				Accumulated Depreciation				Net Block	
Fixed Assets	As at 1st April 201	Additions	Deletions	As at 31/03/201	As at 1st April 20	For the period	Deduction/Adjustment during the year	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
Tangible Assets										
i) Owned										
a) Generator	1,505,577	-	-	1,505,577	6,662	143,030	-	149,691	1,355,886	1,498,915
c) Air Condition	2,019,189	106,740	-	2,125,929	7,470	198,667	-	206,137	1,919,792	2,011,719
a) Electrical Installation	9,098,871	-	-	9,098,871	39,697	864,393	-	904,090	8,194,781	9,059,174
b) Water Storage Tank	429,048	30,000	-	459,048	3,797	83,003	-	86,799	372,249	425,251
f) Computer	6,949,112	1,583,127	-	8,532,239	93,300	2,102,329	-	2,195,629	6,336,610	6,855,812
g) Furniture & Fittings	21,066,287	578,523	-	21,644,810	93,093	2,014,105	-	2,107,197	19,537,613	20,973,194
h) Office Equipment	161,902	590,235	-	752,137	1,091	52,654	-	53,746	698,391	160,811
p) Pollution Control Equip	26,986	-	-	26,986	96	2,564	-	2,660	24,326	26,890
q) Lab Equipments-Local	24,406,749	3,022,915	-	27,429,664	104,258	2,455,406	-	2,559,664	24,870,000	24,302,491
r) Lab Equipments-Import	105,852,325	12,260,877	1,775,710	116,337,492	443,839	10,107,336	65,167	10,486,008	105,851,484	103,632,776
t) Fire Extinguisher	48,209	-	-	48,209	100	4,580	-	4,680	43,529	48,109
	171,564,255	**18,172,417**	**1,775,710**	**187,960,962**	**793,404**	**18,028,066**	**65,167**	**18,766,303**	**169,204,659**	**168,995,141**

Other Intangible Assets

	Gross Block				Accumulated Depreciation				Net Block	
Fixed Assets	As at 1st April 201	Additions	Deletions	As at 31/03/2017	As at 1st April 2016	For the period	Deduction/Adjustment during the year	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
a)Computer Software	29,836	21,381	-	51,217	220	6,963	-	7,183	44,034	29,616
Total	**29,836**	**21,381**	-	**51,217**	**220**	**6,963**	-	**7,183**	**44,034**	**29,616**

INM Technologies Private Limited
(all amounts in Indian rupees, except share data and where otherwise stated)

4 Capital Work -in- Progress

Particulars	31/3/2017	31/03/2016	1/4/2015
1. Lab Equipment Under Erection	-	6,883,606	548,960
2. Pre-operative expenses	-	(83,488)	5,585,154
Total	-	**6,800,118**	**6,134,114**

6 Other Non- Curent Assets

Particulars	31/3/2017	31/03/2016	1/4/2015
i) Security Deposit (unsecured, considered good)			
a) Rental deposits	3,450,000	3,450,000	3,450,000
b) Miscellaneous Deposits	231,000	256,000	-
ii) Pre-Paid Expense	193,462	-	
iii)Capital advances (Refer Note No-32)	192,244	795,980	5,916,134
TOTAL	**4,066,706**	**4,501,980**	**9,366,134**

7 Inventories

Particulars	31/3/2017	31/03/2016	1/4/2015
Stores and spares	418,638	21,836	-
TOTAL	**418,638**	**21,836**	-

8 Cash and Cash Equivalents

Particulars	31/3/2017	31/03/2016	1/4/2015
a) Cash on hand	386,720	13,156	28,946
b) Balance with banks in current account	752,181	504,745	1,058,863
TOTAL	**1,138,901**	**517,901**	**1,087,809**

9 Other Current Assets

Particulars	31/3/2017	31/03/2016	1/4/2015
a) Pre-Paid Expense	239,207	19,366	-
b) VAT - Refund Receivable	-	36,124	-
c) Advance to Suppliers	576,687	257,299	-
d) Advance to Employee for Expense	297,514	-	-
e)Service Tax Receivable	1,757,370	716,001	-
TOTAL	**2,870,778**	**1,028,790**	-

INM Technologies Private Limited

(all amounts in Indian rupees, except share data and where otherwise stated)

10 Share Capital

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Authorised share Capital			
Equity shares			
1500000 (1500000) Rs. 10/- each par value	15,000,000	15,000,000	15,000,000
	15,000,000	15,000,000	15,000,000
Issued subscribed & fully paid up			
Equity shares			
15,00,000 (15,00,000) Rs. 10/- each par value	15,000,000	15,000,000	15,000,000
TOTAL	**15,000,000**	**15,000,000**	**15,000,000**

(a) Reconciliation of the number of shares.

Particulars	As at 31.03.2017		As at 31.03.2016	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the				
Equity Shares	1500000	15000000	1,500,000	15,000,000
Shares issued during the year				
Equity Shares	-	-	-	-
Shares outstanding at the end of the year	**1500000**	**15000000**	**1500000**	**15000000**

(b) Equity Shareholders holding more than 5% shares in the Company

Particulars	As at 31.03.2017		As at 31.03.2016	
	Nos	% of Holding	No	% of Holding
1) Shilpa Medicare Ltd	1,125,000	75	1,125,000	75
2) Dr.A.R. Phani	375,000	25	375,000	25

Rights Preferences and Restrictions attached to Equity Shares

The Company has issued Equity shares having face value of Rs.10/- per share. Each Share Holder is eligible for one vote per share. In case dividend is proposed by the Company it will be subject to the approval of the Board of Directors. In the event of liquidation, the equity share holders are eligible to receive balance assets remaining after repayment to all the preferential share capital holders. in the in proportion to their equity holding.

11 **Provision**

Particulars	31/3/2017	31/03/2016	1/4/2015
i)Provision for gratuity	1,080,263	-	-
TOTAL	1,080,263	-	-

12 **Deferred tax liability**

Particulars	31/3/2017	31/03/2016	1/4/2015
Deferred Tax Liability	6,555,317	-	-
TOTAL	6,555,317	-	-

13 **Other non-current liability**

Particulars	31/3/2017	31/03/2016	1/4/2015
i) Preference share (8% Non convertible and non participating redimable preferential share)	230,001,700	153,543,700	-
Total	230,001,700	153,543,700	-

14 **Trade payables**

Particulars	31/3/2017	31/03/2016	1/4/2015
(a) Trade Paybles (Refer Note N0 32 & 34)	2,818,723	9,108,138	71,499
(b) Others			
(i) Creditors for Capital Goods (Refer Note No 32 & 34)	35,700	5,939,774	406,612
TOTAL	2,854,423	15,047,912	478,111

15 **Other current liabilities**

Particulars	31/3/2017	31/03/2016	1/4/2015
a)Service Tax Payable	10,392	5,458	-
b)Tax deduction at Source	682,422	732,988	206,982
c)VAT, Entry Tax & Professional Tax	7,000	129,361	2,500
d)Books overdraft	-	107,555	-
e)Pref Share application money pending allotment	-	400,000	-
TOTAL	699,814	1,375,362	209,482

16 **Short Term Provisions**

Particulars	31/3/2017	31/03/2016	1/4/2015
Employee Benefit Liability	1,828,239	1,548,875	514,822
Provision For Expenses	250,125	499,980	385,642
Provident Fund Payable	121,519	-	
Provision for Gratuity	2,233	-	-
TOTAL	2,202,116	2,048,855	900,464

17 **Other Income**

Particulars	31/03/2017	31/03/2016
Profit on Sale of Assets	65,166	-
Others	-	2,002
TOTAL	65,166	2,002

18 **Employee Benefits Expense**

Particulars	31/3/2017	31/03/2016
Salaries & Wages	25,731,740	1,816,057
Contribution To Provident Fund/Labur Welfare Fund	722,137	408
Staff Welfare Expenses	675,863	39,906
Directors Remuneration	3,704,553	413,417
Contribution To Gratuity	1,082,496	-
TOTAL	31,916,789	2,269,788

19 Other expense

Particulars	31/3/2017	31/03/2016
Power And Fuel	2,265,603	266,043
Repairs & Maintenance	-	-
a)Buildings	705,699	126,979
b)Machinery	179,467	130,254
c) Others	233,311	42,755
Rent	4,290,650	345,000
Exchange Loss (Gain) / Loss (Net)	(15,653)	(64,162)
Traveling And Conveyance	318,181	5,400
Auditor Fees	27,000	10,000
Research & Development Expenses	8,519,259	571,039
Transportation Charges	19,583	119,058
Insurance	86,338	3,505
Bank Charges	100,033	4,198
Bad Debts / Accounts Written-Off	70,638	-
Vat/ Entry Tax & Profession Tax	40,920	1,840
Professional & Consultancy	110,000	-
Miscellaneous Expenses	2,136,474	497,127
TOTAL	**19,087,503**	**2,059,036**

20 Payment to Statutory Auditors *

Particulars	31/3/2017	31/03/2016
a) Statutory Audit	27,000	10,000
TOTAL	**27,000**	**10,000**

* Excluding Tax

21 Contingent Liabilities

Particulars	31/3/2017	31/03/2016
a) Estimate amount of contract remain to be ex	0	816953
TOTAL	-	816,953

22 Earning per share

Particulars	31/3/2017	31/03/2016
Net Profit after taxes	(75,529,472)	(5,120,446)
Weighted Average No of Equity shares	1500000	1500000
Face Value	10	10
Basic & Diluted EPS	(50.35)	(3.41)

23 **Employee Benefits**

i)Defined Contribution Plan

Particulars	**31/3/2017**
Provident Fund	721202
Total	**721202**

0

ii) Defined Benefit Plan (Gratuity)	**31/3/2017**
Movement of present value of the defined benefit obligation	
Obligations at period beginning	-
Service cost	1,082,496
Interest on defined benefit obligation	-
Benefits settled	-
Actuarial (gain)/loss	-
Obligations at period end	1,082,496
Change in plan assets	-
Plans assets at period beginning, at fair value	-
Difference in opening balance	-
Expected return on plan assets	-
Actuarial gain/(loss)	-
Employer contribution	-
Benefits payout	-
Plans assets at period end, at fair value	-
Reconciliation of present value of the obligation and the fair	-
Closing pbo	1,082,496
Closing fair value of plan assets	-
Closing funded status	(1,082,496)
Unrecognised actuarial (gains)/losses	-
Net asset/(liability) recognized in the balance sheet	(1,082,496)
Expenses recognised in the p & l account	-
Service cost	1,082,496
Interest cost	-
Expected return on plan assets	-
Actuarial (gain)/loss	-
Net gratuity cost	1,082,496
Experience adjustment on plan assets	-
Experience adjustment on plan liabilities	-

B.Principal actuarial assumptions	31/3/2017
Interest rate	
Discount rate (based on the market yields available on Gove	7.31%
Expected rate of return on assets	-
Salary increase (taking into account inflation, seniority, prom	10%
Attrition rate of employees	5%
Retirement age of employees (Years)	58

Actuarial gain / loss is recognised immediately. The estimates of salary increase,inflation, promotion, Seniority etc taken in account. All eligible employees calculated at specific no. of days (ranging from 15 days to 1 month) of the last drawn salary depending upon tenure of service for each year of completed service subject to minimum of five years payable at the time of separation upon superannuation or on exit otherwise.

Note : Employees number are not materialistic till last , hence acturial valuation is started from F.Y.2016-17.

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as

	Year ended 31st March 2017	
Particulars	**Increase**	**Decrease**
Discount rate	122904	-165975
Salary increase	-157617	118709
Attrition rate	48427	-71575

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by 100 basis points, keeping all other actuarial assumptions constant.

24 Fair value measurment hierarchy:				
Particulars	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**
31/3/2017				
Financial Assets				
Cash & bank balance	-	-	1138901	1138901
Total	-	-	1138901	1138901
Financial Liability	-	-	-	0
Trade payables			2854423	2854423
Total	-	-	2854423	2854423
Particulars	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**
31-Mar-16				
Financial Assets				
Cash & bank balance	-	-	517,901	517,901
Total	-	-	517,901	517,901
Financial Liability	-	-	-	0
Trade payables			15,047,912	15,047,912
Total	-	-	15,047,912	15,047,912

*Since all the financial assets & financial liabilities are measured at amortised cost, fair value hierarchy is not provided.

25 Financial Risk Management

The Company's activities expose it to a variety of financial risks such as Market Risk, Credit Risk and Liquidity Risk. The company's focuses on minimizing potential adverse effect on its financial performance

(A) Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The changes in the values of fianacial assets /liability may result from change in the foreign currency exchange rates (Foreign Currency Risk), change in interest rates (Cash flow & interest rate risk), and change in price of investments (Price Risk).

(I) Foreign Currency Risk .

During the reporting period there are is no foreign currency outstanding ,hence not exposed to foreign currency risk.

(ii) Interest Rate Risk

During the reporting period the Company has not paid any interest hence not exposed to interest rate risk .

(iii) Price Risk
The company does not hold any investment and hence not exposed to any price risk

(B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk is arises from its operation activity primarly from trade receivable and from its financial activity. Customer credit risk is controlled by analysis of credit limit and credit worthness of the customer on a continuous basis to whom the credit has been granted.

(C)Liquidity risk
Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations of its financial liability. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for making liability when they are due, under normal and stressed condition without incurring losses and risk.

The present available working capital facility is sufficient to meet its current requirment. Accordingly no liquidity risk is perceived. In addition, the company maintains the following line of credit facility.

26 Maturity profile of financial liabilities as on March 31,2017

Particilars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Trade and other payable	-	2,854,423	-	-
Total	-	**2,854,423**	-	-

Maturity profile of financial liabilities as on March 31,2017

Particilars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Trade and other payable	0	15,047,912	0	0
Total	0	15,047,912	0	0

27 Capital Management

The company's objectives when managing capital are to-
i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
ii) Maintain an optimal capital structure to reduce the cost of capital

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:
Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet)

Particlars	March 31, 2017	March 31, 2016
Net Debt	-	-
Total Equity	(65,649,918)	9,879,554
Debt Equity Ratio	-	-

28 Income Tax

During the reporting period Company has not made any profit hence Income Tax reconcilation not applicable

Movement of Deferred tax Assets / Liability

Deffered Tax Liability	Opening balance	Charge (Credit) to Profit & Loss account	Through OCI	Closing balance
Deffer Tax Liability For the year ended 31, March-2017 a) Property, plant and equipment, and intangible assets		6,555,317		6,555,317
Total	-	6,555,317	-	6,555,317
Gross deferred tax assets For the year ended 31, March-2017	-	-	-	-
Total	-	-	-	-
Net Liability	-	6,555,317	-	6,555,317

29 Disclosure on specified bank notes

Particulars	Specified Bank Notes'#	Other denomination	Total
Closing cash in hand as on November	-	27,210	27,210
(+) Permitted receipts	-	314,000	314,000
(-) Permitted payments	-	162,198	162,198
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 3	-	179,012	179,012

30 Related party transactions

Related parties where control exists and related parties with whom transactions have taken place during the year are listed below:

(I) Key Management Perosonnel

a) A R Phani

4.(v)Enterprises having common Directors/ Board of Trustees

1) Shilpa Meidcare Limited

				April 1, 2016 to March 31,2017		April 1, 2015 to March 31,2016	
Sr No	Name of the related party	Relationship	Description of transaction	Income /(Expenses) Other Transaction	Balance as at March,31,2017 (Payable)/ Receivable	Income /(Expenses) Other Transaction	Balance as at March,31,2016 (Payable)/ Receivable
a)	**Remuneration paid to Key Management Personnel**						
	Dr A R Phani	Managing Director	Remuneration	4939404		4961004	
			Expenses reimbu	-		46000	
	Holding Company	Holding Company					
	Shilpa Medicare Limited		Purchases			(507,380)	
			Sales	2,033,425			
			Expenses incurred on behalf of the	(1,890,117)		(8,324,145)	
			Trade Payable				(8,324,145)

a) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures.

b) As the provisions for gratuity are obtained on an actuarial basis for the Company as a whole amounts pertaining to the Key Management Personnel are not specifically identified and hence not included in the above.

31 **Foreign Currency Transactions**

(a) Earning in foreign currency : During the year reporting period the Company has not made any earning in foreign currency

(b) Expenditure in foreign currency

Particulars	31/3/2017	31/03/2016
Import of Ra Material/Capital Goods	535362	48894001

32 Balances of Trade Receivables / Trade payables / Advances and Security deposits are subject to Balance Confirmation.

33 In the opinion of the Board, all assets other than fixed assets, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.

34 The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at the year end together with interest paid / payable under this act cannot be ascertained.

35 As the Company is operating mainely in R &D facility , hence in accordance with the provision of Ind -AS -108 segment reporting is not applicable.

36 The Company has taken its R&D facility premises under Operating lease agreement from Sri T M Rajkumar (HUF). Total rental paid during the year under Operating leases is Rs.42,90,650/- (P Y Rs 38,85,942/-) which has been disclosed as rent paid during the year and in previous year partialy Rent of Rs 3540942/- has capatilised and balance of Rs 354000/- disclosed in rent paid

37 Previous year figures have been reclassified wherever necessary

As per our even report attached

for Bohara Bhandari Bung & Associates LLP
Chartered Accountants
Firm's registration No.008127S/S200013

For and on behalf of the Board of Directors
For INM Technologies Pvt Ltd

CA.Pankaj Kumar Bohara
Partner
M.No: 215471

Sd/-
Vishnukant C Bhutada
Director
DIN No.01243391

Sd/-
A.R.Phani
Managing Director
DIN No.05234035

Place/Camp : Raichur
Date: 27-05-2017

AUDITED FINANCIAL STATEMENTS

M/s. Shilpa Therapeutic Pvt Ltd (Formerly Know as Nu- Therapeutic pvt Limited) Hyderabad.

FINANCIAL YEAR : 2016-17

SHILPA THERAPEUTICS PRIVATE LIMITED
(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

BALANCE SHEET AS AT 31.03.2017

PARTICULARS	Note No.	(31.03.2017) Audited	As per Ind AS (31.03.2016) Audited	As per Ind AS (01.04.2015) Audited
		Amount(Rs)	Amount(Rs)	Amount(Rs)
ASSETS				
Non-current assets				
a) Property Plant and Equipment	3	86,140,181	89,247,171	93,380,216
b) Capital work-in-progress	4	18,390,814	18,390,814	18,390,814
c) Other Intangible assets	5	747,992	685,054	606,461
d) Financial Assets	6			
(i) Investments		10,875	10,145	0
(ii) Others		392,659	301,053	242,700
e) Deferred tax assets (net)	7	12,375,834	10,854,684	6,830,167
d) Other non-current assets	8	727,853	727,853	742,837
Current assets				
(a) Inventories	9	5,422,610	4,935,097	4,440,162
(b) Financial Assets	10			
(i) Trade receivables		11,895,718	10,376,513	10,022,402
(ii) Cash and cash equivalents		2,505,295	193,050	1,576,179
(c) Current Tax Assets (Net)	11	210,195	10,055	7,942
(d) Other current assets	12	1,592,312	284,775	178,040
Total Assets		**140412338**	**136016264**	**136417919**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	13	18,376,340	18,376,340	18,376,340
(b) Other Equity		13,762,520	28,712,187	37,594,336
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities	14			
(i) Borrowings		71,796,652	61,895,494	61,975,759
(b) Provisions	15	1,964,763		
(c) Other non-current liabilities	16	1,408,220	1,541,553	1,674,886
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	2,122,120	-	-
(i) Trade payables	18	5,703,721	7,005,653	3,911,282
(ii) Other financial liabilities	19	22,328,046	16,055,917	10,521,081
(b) Other current liabilities	20	2,579,282	2,163,656	2,184,005
(c) Provisions	21	370,673	265,467	180,233
(d) Current Tax Liabilities (Net)				
Total Equity and Liabilities		**140412338**	**136016264**	**136417919**

As per our report of even date
for S.N.M.Nandury & Co
Chartered Accountants
(firm Regn. No.006199S)

Sd/-

Surya Narayana Murthy N.
Proprietor
M.No.201040

Place: Hyderabad
Date: 27.05.2017

For and on behalf of Board of Directors

Sd/-
B. VISHNUKANTH
(DIRECTOR)

Sd/-
RAMAKANTH INANI
(DIRECTOR)

SHILPA THERAPEUTICS PRIVATE LIMITED
(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31.03.2017

PARTICULARS	Note No.	For The Year 31.03.2017 Rs.	For The Year 31.03.2016 Rs.
Revenue from operations	21	36,604,942	26,009,711
Other Income	22	304,598	164,612
Total Revenue (I + II)		**36,909,540**	**26,174,324**
Expenses			
Cost of Materials Consumed	23	7,373,237	6,019,453
Changes in inventories of finished goods, work in progress and Stock-in-trade	24	369,435	(312,435)
Excise Duty Expense	25	4,257,612	1,485,549
Employee benefits expense	26	16,476,232	12,647,441
Finance Costs	27	7,020,666	6,191,048
Depreciation and amortization expense (net of trnfr to revaluation reserve Rs.4236)	3&5	4,999,486	5,031,843
Other expenses	28	12,883,687	8,015,433
Total Expense		**53,380,355**	**39,078,332**
Profit before exceptional items and tax (III-IV)		**(16,470,815)**	**(12,904,008)**
Exceptional Items			
Profit before tax (VII-VIII)		**(16,470,815)**	**(12,904,008)**
Tax expense:			
(1) Current tax			
(2) Deferred tax(Net)		(1,521,149)	(4,021,958)
		(1,521,149)	**(4,021,958)**
Profit/(Loss) for the period from continuing operations (IX - X)		**(14,949,666)**	**(8,882,050)**
Profit/(Loss) for the period (XI + XIV)		**(14,949,666)**	**(8,882,050)**
Other Comprehensive Income		-	-
Total Comprehensive Income for the period (12+14)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		**(14,949,666)**	**(8,882,050)**
Earnings per equity share:			
(1) Basic		(8.14)	(4.83)
(2) Diluted		(8.14)	(4.83)

As per our report of even date
for S.N.M.Nandury & Co
Chartered Accountants
(firm Regn. No.006199S)

Sd/-

Surya Narayana Murthy N.
Proprietor
M.No.201040

Place: Hyderabad
Date: 27.05.2017

For and on behalf of Board of Directors

Sd/-
B. VISHNUKANTH
(DIRECTOR)

Sd/-
RAMAKANTH INANI
(DIRECTOR)

SHILPA THERAPEUTICS PVT LTD
(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

STATEMENT OF CHANGES IN OTHER EQUITY

Particulars	Reserve and surplus				Total
	Securities Premium Reserve	Other Reserve (Revaluation Reserve under Previous GAAP)	General Reserve	Retained Earnings	Total
Balance at 01.04.2015 (Ind AS)	**43,092,810**	**9,631,180**		**(15,129,753)**	**37,594,237**
Changes in accounting policy or prior period errors	-				
Restated balance at the beginning of the reporting period	-				-
Total Comprehensive Income for the Year				(8,882,050)	**(8,882,050)**
Balance at 31.03.2016	**43,092,810**	**9,631,180**		**(24,011,803)**	**28,712,187**

Particulars	Reserve and surplus				Total
	Securities Premium Reserve	Other Reserve (Revaluation Reserve under Previous GAAP)	General Reserve	Retained Earnings	
Balance at 31.03.2016	**43,092,810**	**9,631,180**		**(24,336,918)**	**28,387,072**
Changes in accounting policy or prior period errors	-			325,114	**325,114**
Total Comprehensive Income for the Year				(14,949,666)	**(14,949,666)**
Balance at 31.03.2017	**43,092,810**	**9,631,180**		**(38,961,470)**	**13,762,520**

	SHILPA THERAPEUTICS PRIVATE LIMITED (formerly known as NU THERAPEUTICS PRIVATE LIMITED) Cash flow statement for the quarter ended on 31.03.2017		
	Particulars	**Year Ended 31.03.2017**	**Year Ended 31.03.2016**
A	**CASH FLOW FROM OPERATING ACTIVITIES**	**Rs.**	**Rs.**
	Net Profit before Tax	(16470815)	(12904008)
	adjustments for		
	income from investing activities	(22526)	(21134)
	income from investing activities on FD	(730)	0
	Depreciation	4999486	5031843
	Provision for Gratuity	1964763	0
	Govt Grant Amortized	(133333)	(133333)
	Prelim. Exp written off	0	0
	R & D Exp written off	0	0
	Interest	7020666	6191048
	Operating profit before working capital changes	**(2642489)**	**(1835585)**
	adjustments for		
	Change in Trade receivables	(1519205)	(354111)
	Change in other Current Assets	(1307537)	(106735)
	Change in Current Assets (Net Tax)	(200140)	(2113)
	Change in inventories	(487513)	(494935)
	Change in trade payables	(1301932)	3094620
	Change in other Financials liabilities	6272129	5534587
	Change in other Current Liabilities liabilities	0	0
	Income from Interest on electricity deposit	22526	21134
	Change in Provision	520833	64885
	Cash Generated from operations	(643328)	5921748
	Net cash flow from Operating Activities	**(643328)**	**5921748**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Sale of fixed assets	175671	12726
	Purchase of Fixed Assets	(2131105)	(992776)
	Change in other non current Assets	(92336)	(53514)
	Income from Interest on bank deposit	730	
	Net cash flow from Investing Activities	**(2047040)**	**(1033564)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Change in long term borrowings	9901159	(80265)
	Proceeds from short term borrowings	0	0
	Repayment of short term borrowings	0	0
	Interest paid	(7020666)	(6191048)
	Net cash from Financing Activities	**2880493**	**(6271313)**

Net (decrease)/Increase in Cash and Cash Equivalents	190125	(1383129)
Opening Cash and Cash Equivalents	193050	1576179
Closing Cash and Cash Equivalents including CC balance	**383175**	**193050**

previous year figures have been restated wherever necessary to confirm to this year's classification.

Per our report of even date
for S.N.M.Nandury & Co
Chartered Accountants
(firm Regn. No.006199S)

Sd/-

Surya Narayana Murthy N.
Proprietor
M.No.201040

Place: Hyderabad
Date: 27.05.2017

For and on behalf of Board of Directors

Sd/-
B. VISHNU KANTH
(DIRECTOR)

Sd/-
RAMAKANTH INANI
(DIRECTOR)

SHILPA THERAPEUTICS PVT LTD

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

13 Equity Share Capital

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Authorised Equity shares			
20,00,000(P.Y 20,00,000), Rs. 10/- each par value	20,000,000	20,000,000	20,000,000
Authorised Preference shares			
18,5,00,000(P.Y 185,00,000), Rs. 10/- each par value	185,000,000	185,000,000	120,000,000
	205,000,000	**205,000,000**	**140,000,000**
Issued Subscribed and fully paid up			
Equity shares			
18,37,634 (P.Y. 18,37,634), Rs.10/- each par value	18,376,340	18,376,340	18,376,340
Preference shares			
400,000 (P.Y.400,000), Rs.10/- each par value	-	-	-
TOTAL	**18,376,340**	**18,376,340**	**18,376,340**

Reconciliation of the number of equity shares outstanding is set out below:

Particulars	As at 31 March 2017		As at 31 Mar 2016		As at 01 Apr 2015	
	Number	Amount	Number	Amount	Number	Amount Rs.
Shares outstanding at the beginning of the period/year	1,837,634	18,376,340	1,837,634	18,376,340	1,837,634	18,376,340
Shares issued during the period/Year			-	-	-	-
Shares bought back during the period/Year			-	-	-	-
Shares outstanding at the end of the period/Year	**1,837,634**	**18,376,340**	**1,837,634**	**18,376,340**	**1,837,634**	**18,376,340**

Shares in respect of each class in the company held by its holding company in aggregate:

of the above 870,755(PY:648,455) equity shares of Rs.10 each are held by Shilpa Medicare Limited, Its Holding Company.

The details of shareholder holding more than 5% of the paid up equity capital of the Company

Particulars	As at 31 March 2017		As at 31 Mar 2016		As at 01 Apr 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shilpa Medicare Limited	1836634	99.95	1248549	67.94	1248549	67.94
Katakam Manohar	1,000	0.05	442851	24.10	442851	24.10
TOTAL	**1,837,634**	**100**	**1,837,634**	**92.04**	**1,837,634**	**92.04**

Particulars	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shilpa Medicare Limited	18,500,000	100	18,500,000	100	12,000,000	100
ICE SPA,Italy						
Prodotti Chimici Alimentari SPA,Italy						
TOTAL	**18,500,000**	**100**	**18,500,000**	**100**	**12,000,000**	**100**

Note:

1.Equity Shares:

The Company has class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share held. 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.

2.Compulsory Redeemable Cumulative Preference Shares:

The Company has class of redeemable preference shares having a par value of Rs.10/- per share. These are Non -convertible, neither carrying any voting rights or nor any right to participate in the meetings of the Company. They are compulsorily redeemable cumulative preference shares having a face valve of Rs.10/- and shall carry a dividend of 9(Nine) percent per annum. They Shall be redeemed on or before the completion of 10 years from the date of allotment. However, the Company and Holder of Shares have the option to get them redeemed, in full or in part, at any time on or after the completion of 5 years (from the date of allotment) by giving a six months notice.

Sr No	Particulars	Gross Block as on 01.04.2016	Additions	Deductions	Gross Block as on 31.03.2017	Depreciation as on 01.04.2016	Depreciation for the period ended 31.03.2017	Depreciation as on 31.03.2017	Net Block as on 31.03.2017	Net Block as on 31.03.16	01.04.2015
3	**Property Plant and Equipment**										
	Unit I										
1	*Land*	*10,028,063*	-	-	10,028,063	-	-	-	10,028,063	10,028,063	10,028,063
2	*Air Conditioners*	520,052	132,600	-	652,652	337,415	99,049	436,463	216,189	182,637	284,185
3	*Car A/c*	-	-	-	-	-	-	-	-	-	-
4	*Semi Automatic Strapping Machine*	*74,144*	-	-	74,144	16,018	3,522	19,540	54,604	58,126	61,646
5	*Computer*	*707,416*	*94,448*	-	801,864	633,116	31,744	664,860	137,004	74,300	109,574
6	*Electrical Equipment*	*553,461*	-	-	553,461	178,237	60,362	238,599	314,862	375,224	424,420
7	*Epabx& Communications*	*83,140*	-	-	83,140	66,188	12,794	78,982	4,158	16,952	45,023
8	*Factory Building*	*25,320,594*	-	-	25,320,594	3,750,175	797,750	4,547,925	20,772,669	21,570,419	22,368,169
9	*Furniture & Fixtures A/c*	*2,082,008*	19,781	-	2,101,789	709,721	217,678	927,399	1,174,390	1,372,287	1,588,812
10	*Generator(15kva)*	*1,462,986*	-	-	1,462,986	320,365	70,442	390,807	1,092,179	1,162,621	1,233,063
11	*Labequipment*	*3,985,031*	927,525	-	4,912,556	1,268,497	460,193	1,728,690	3,183,867	2,716,535	3,150,033
12	*Clean Room & Stores Equipment*	*841,212*	-	-	841,212	150,656	39,958	190,614	650,598	690,556	730,514
13	*Cylinder-Printing*	*463,505*	328,461	*175,671*	636,295	64,499	28,158	92,657	543,638	419,006	222,280
14	*Fire & safety Equipment*	*125,621*	25,934	-	151,555	24,039	6,644	30,683	120,872	101,582	107,557
15	*Motar Cycle (Hero Honda)*	-	-	-	-	-	-	-	-	-	-
16	*Motor Cycle (Passion Pro)*	*68,391*	-	-	68,391	8,384	6,497	14,881	53,510	60,007	66,504
17	*Plant and Machinery A/c*	*62,189,762*	447,047	-	62,636,809	12,269,013	2,968,645	15,237,658	47,399,151	49,920,749	52,334,504
18	*Water Cooler*	*85,265*	-	-	85,265	67,970	13,031	81,001	4,264	17,295	46,121
19	*Telephone equipment*	*8,390*	-	-	8,390	4,555	2,017	6,572	1,818	3,835	5,852
20	*Maruti swift car*	*725,000*	-	-	725,000	248,024	88,631	336,655	388,345	476,976	585,607
	Total	**109,364,041**	**1,975,796**	**175,671**	**111,164,166**	**20,116,870**	**4,907,115**	**25,023,985**	**86,140,181**	**89,247,171**	**93,360,218**
4	***Capital work-in-progress***										-
1	*Plant and Machinery- Work in Progress*	*18,390,814*	-	-	18,390,814	-	-	-	18,390,814	18,390,814	18,390,814
2	*Cylinder - Printing Work in Process*	-	-	-	-	-		-	-	-	-
	Total	**18,390,814**	-	-	**18,390,814**	-	-	-	**18,390,814**	**18,390,814**	**18,390,814**
5	**Other Intangible Assets**									-	-
1	Patents & Trade Mark	*834,049*	**155,309**	-	989,358	148,995	92,371	241,368	747,992	885,054	606,461
	Total	**834,049**	**155,309**	-	**989,358**	**148,995**	**92,371**	**241,368**	**747,992**	**885,054**	**606,461**

0

6 Financial Assets

(i) Investments

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
SBI Magnum Insta Cash Fund	10,875	10,145	-
	10,875	**10,145**	-

(ii) Others

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Electricity Deposit	355,159	295,053	236,700
IDPL Security Deposit & Mana ETP	37,500	6,000	6,000
	392,659	**301,053**	**242,700**

7 Deferred Tax Asset / Liability (Net)

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
	Rs.	Rs.	Rs.
Deferred Tax Asset	23,672,270	21,748,382	17,142,503
Deferred Tax Liability	11,296,436	10,893,698	10,312,336
Total	**12,375,834**	**10,854,684**	**6,830,167**

8 Other Non Current Asset

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
MAT Credit Entitlement A/c	258,362	258,362	258,362
VAT Input Credit	469,491	469,491	484,475
Total	**727,853**	**727,853**	**742,837**

9 Inventories

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
	Rs.	Rs.	Rs.
a. Raw Materials and components			
Raw Materials	1,387,234	1,298,837	1,518,853
Packing Materials	3,345,559	2,584,693	2,135,793
	4,732,793	3,883,530	3,654,646
b. Work-in-progress	303,000	208,760	360,000
c. Finished goods			
(i) Internally Manufactured	305,880	769,555	305,880
d. Stores and spares			
Consumables	80,937	73,252	119,636
Total	**5,422,610**	**4,935,097**	**4,440,162**

10 Financial Assets

(i) Trade Receivables

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
	Rs.	Rs.	Rs.
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		0	0
Unsecured, considered good	3,262,554	3,262,554	3,262,554
	3,262,554	**3,262,554**	**3,262,554**
Trade receivables outstanding for a period less than six months from the date they are due for payment	-		
Unsecured, considered good	8,633,164	7,113,959	6,759,848
	8,633,164	**7,113,959**	**6,759,848**
Total	**11,895,718**	**10,376,513**	**10,022,402**

(ii) Cash and cash equivalents

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
	Rs.	Rs.	Rs.
a. Cash on Hand	10,491	3,052	15,431
b. Balances with banks	0	0	0
-in current accounts	269,804	189,998	1,560,748
-in Fixed Deposits / Investments	0	0	0
-less than 3 months maturity	2,225,000	0	0
Total	**2,505,295**	**193,050**	**1,576,179**

11 **Current Tax Assets (Net)**

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
	Rs.	Rs.	Rs.
Income Tax Refund Receivable for FY 2012-13	2,727	2,727	2,727
Income Tax Refund Receivable for FY 2013-14	1,595	1,595	1,595
Income Tax Refund Receivable for FY 2014-15	3,620	3,620	3,620
Income Tax Refund Receivable for FY 2015-16	0	2,113	0
TDS Receivable	202,253	0	0
Total	**210,195**	**10,055**	**7,942**

12 **Other Current Assets**

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
	Rs.	Rs.	Rs.
Unamortised Expenditures			
Licenses & Taxes	0	60,350	0
Total	0	60,350	0
Short-term loans and advances			
Advance receivable kind	1,586,539	221,979	108,665
Cenvat Excise Balance	5,773	2,446	0
Pre-paid Expenses	0	0	69,375
Total	**1,592,312**	**284,775**	**178,040**

14 **Non-Current Liabilities**

a) Long Term Borrowings

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
	Rs.	Rs.	Rs.
Secured			
Term loans			
Vehicle Loan	205,312	304,154	384,419
(The loan is taken from Bank of Baroda, secured By Hyp.of Car and is guaranteed by Directors and is repayable by EMIs.)			
Rate of Interest @ 11.5% p.a.			
Unsecured			
Loans from Related Parties			
Loan from Shilpa Medicare Ltd.(Holding Co.)	67,591,340	57,591,340	57,591,340
Rate of Interest @ 9% p.a.			
Preference Share Capital	4,000,000	4,000,000	4,000,000
Total	**71,796,652**	**61,895,494**	**61,975,759**

15 **Provisions**

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
	Rs.	Rs.	Rs.
Provision for Gratuity	1,964,763	0	0
Total	**1,964,763**	**0**	**0**

16 **Other Non Current Liabilities**

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
	Rs.	Rs.	Rs.
Capital Subsidy Recd (Govt. Grant)	1,866,667	1,866,667	1,866,667
Less:- Amortised in the Proporation of Dep	-458,447	-325,114	-191,781
	1,408,220	1,541,553	1,674,886
Total	**1,408,220**	**1,541,553**	**1,674,886**

17 **Borrowings**

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Axis Bank CC A/c	2,122,120	0	0
	2,122,120	0	0

18 **Trade Payable**

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
	Rs.	Rs.	Rs.
Trade Payables (Refer Note No.4.01	996,392	2,550,000	249
- Project	0	0	0
Domestic	67,980	67,980	67,980
Foreign	1,582,444	1,471,367	1,487,967
- Others	3,056,905	2,916,306	2,355,086
Total	5,703,721	7,005,653	3,911,282

Note

4.01.Balances as at the year end are subject to confirmation.

19 **Other Financial Liabilities ***

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
	Rs.	Rs.	Rs.
(a) Current maturities of long-term debt	101,086	83,340	74,660
(b) Income Tax (Net)	-	-	-
(c) Application money received for allotment of securities	-	-	-
(d) Advance from Customers	-	-	-
(e) Interest accrued and due on SML Loan	22,226,960	15,972,577	10,446,421
Total	22,328,046	16,055,917	10,521,081

20 **Other Current Liabilities ***

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
	Rs.	Rs.	Rs.
Current maturities of Government Grant	133,333	133,333	133,333
Salaries & Reimbursements	900,484	929,124	738,925
Gratuity Payable	394,216		0
Provident Fund Payable	25,995	23,462	34,462
ESI Payable	10,570	7,319	4,295
Performance Bonus Payable		0	245,000
Audit Fee Payable		30,523	15,169
TDS payable	1,040,851	790,017	852,192
Service Tax Payable	0	0	0
CST payable	62,233	36,228	91,968
Excise Duty Payable	0	210,300	65,111
Professional Tax Payable	11,600	3,350	3,550
Total	2,579,282	2,163,656	2,184,005

21 **Provisions**

Particulars	As at 31st Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
	Rs.	Rs.	Rs.
Provision for Expenses	370,673	265,466	180,232
Provision of Income Tax AY 14-15	0	0	0
Provision of Income Tax AY 15-16	0	0	0
Total	370,673	265,466	180,232

21 **Revenue from operations**

Particular	As at 31st Mar 2017	As at 31 Mar 2016
	Rs.	Rs.
Sales	34,604,942	26,009,711
Other Operating Revenue (PDC)	2,000,000	0
Gross Revenue from Operation	**36,604,942**	**26,009,711**

22 **Other Incomes**

Particular	As at 31st Mar 2017	As at 31 Mar 2016
	Rs.	Rs.
Interest on Fixed Deposits	730	0
Int on IT Refund	19,187	0
Interest on Electricity Deposit	22,526	21,134
ST. Cap. Gain on SBI Magnum Mutual Fund	0	10,145
Other Incomes	128,822	0
To Other Income - Grant A/c.	133,333	133,333
Total	**304,598**	**164,612**

23 **Details of Material Consumed**

Particular	As at 31st Mar 2017	As at 31 Mar 2016
	Rs.	Rs.
Inventory at the beginning of the year		
Raw Material	1,298,837	1,518,853
Packing materials	2,584,693	2,135,793
Total	**3,883,530**	**3,654,646**
Add:		
Raw Material Purchases	3,063,012	1,572,641
Packing materials	5,159,488	4,675,696
Total	**8,222,500**	**6,248,337**
Total	**12,106,030**	**9,902,983**
Less: Inventory at the end of the year	0	
Raw Material	1,387,234	1,298,837
Packing materials	3,345,559	2,584,693
Total	4,732,793	**3,883,530**
Total consumption	**7,373,237**	**6,019,453**

24 **Changes in inventories of finished goods, work in progress and stock in trade**

Particulars	As at 31st Mar 2017	As at 31 Mar 2016
	Rs.	Rs.
Inventory at the beginning of the year		
Finished Goods	769,555	305,880
Work in progress	208,760	360,000
Less: Inventory at the end of the year		
Finished Goods	305,880	769,555
Work in progress	303,000	208,760
	0	0
Change in the inventory of finished goods, WIP and stock in trade	**369,435**	**-312,435**

25 **Excise Duty Expense**

Particular	As at 31st Mar 2017	As at 31 Mar 2016
	Rs.	Rs.
Excise duty	4,257,612	1,485,549
Excise Duty Collected	**4,257,612**	**1,485,549**

26 **Employee Benefits Expense**

Particular	As at 31st Mar 2017	As at 31 Mar 2016
	Rs.	Rs.
(a) Salaries and Incentives	13,251,032	10,711,497
(h) Director's Remuneration	330,000	1,680,000
(c) Contribution to Provident Fund & ESI	308,921	255,944
(d) Perfomance Bonus	227,300	0
(e) Gratuity	2,358,979	0
Total	**16,476,232**	**12,647,441**

27 **Finance Costs**

Particular	As at 31st Mar 2017	As at 31 Mar 2016
	Rs.	Rs.
Interest expense		
-Term Loan	40,872	50,873
-Unsecured Loans	6,949,314	6,140,175
- On CC Account	8,894	0
-Others (tds & service tax)	21,586	0
Total	**7,020,666**	**6,191,048**

28 **Other expenses**

Particular	As at 31st Mar 2017	As at 31 Mar 2016
	Rs.	Rs.
(a) Consumption of Stores and spares\Consumables	1,100,941	502,421
(b) Power and Fuel	2,724,811	2,127,727
(c) Repairs and Maintainance:		
(i) Building	0	0
(ii) Plant and Machinery	1,063,516	809,151
(iii) Others	172,762	172,155
(c) Rates and Taxes	867,100	516,969
(d) Insurance	141,959	168,126
(e) Traveling and Conveyance	274,315	189,615
(f) Contract Labour charges-NMR Maintenance	1,037,283	480,067
(g) Auditor's Remuneration	17,250	17,175
(h) R&D Expenses (materials)	1,797,861	1,707,009
(i) Bank charges	154,658	6,407
(j) Loss on Sale of Asset	0	0
(k) Priliminary Exp Written off	0	0
(l) R & D Exp Written off	0	0
(m) Advertisement and Sales promotion expenses	19,920	15,880
(n) Transportation Charges	28,655	36,344
(0) Legal, Professional & Consultancy Charges	986,987	125,950
(p) Miscellaneous Expenses	2,324,242	1,140,437
(q) Licence and Taxes Written off	60,350	0
(r) Foreign Exchange Fluction Loss/ (Profit)	111,077	0
Total	**12,883,687**	**8,015,433**

NOTES TO THE FINANCIAL STATEMENTS

CORPORATE INFORMATION

SHILPA THERAPEUTICS PRIVATE LIMITED (FORMERLY NU THERAPEUTICS PRIVATED LIMITED)

Shilpa Therapeutics Pvt. Ltd. (formerly NU Therapeutics Pvt. Ltd.) situated at Cherlapally, IDA Phase-III, Hyderabad India, a progressive novel drug delivery company with an international outlook is dedicated to the development and commercialization of innovative and patient compliant novel drug delivery systems such as fast disintegrating oral strips.

Shilpa Therapeutics Pvt. Ltd. (formerly NU Therapeutics Pvt. Ltd.) is the first company to commercialize prescription products as oral thin strips/films in India.

28. Basis of Preparation

i. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

ii. The financial statements for the year ended 31st March, 2016 and the opening Balance Sheet as at 1st April, 2015 have been restated in accordance with Ind AS for comparative information. The financial statements for the year ended on 31st March, 2017 are the first financial statement of the Company under Ind AS. In accordance of Ind AS 101, First time Adoption of Indian Accounting Standard, the Company has given an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows (Refer note 27(C))

iii. The financial statements have been prepared on going concern and accrual basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the 'date of transition to Ind AS'.

    The financial statements of the Company for the year ended March 31, 2017 were approved by the Board of Directors on 29/5/2017.

iv. The financial statements have been prepared to comply in all material aspects with applicable accounting principal in India and as notified under the Companies Act 2013 and the other relevant provisions of the Act.

v. The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities as specified and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

1.1 Significant Accounting Policies

a) Critical accounting Estimates and Judgements:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Measurement of defined benefit obligation (Note 1.1 (h))
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.1 ©)
- Recognition of deferred taxes (Note 1.1(o))
- Estimation of impairment (Note 1.1(e))
- Estimation of provision and contingent liabilities (Note 1.1(p))

b) Recent accounting developments

i. Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

ii. Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

iii. Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

c) Property, Plant and Equipment & Depreciation:

i. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

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

iii. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv. Depreciation on Fixed Assets is provided on ascertain useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies act-2013, with exception of those assets whose useful life is ascertain by the management.

v. The Company follows the policy of charging depreciation on pro-rate basis on the assets acquired or disposed off during the year.

vi. Transition to Ind AS:
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

d) Intangible Assets:

Intangible Assets are stated at cost less accumulated amortization. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

Intangible assets are amortized over their useful life.

e) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.
An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

f) Inventory:

Inventories are valued at the lower of cost and net realisable value. The cost is determined on FIFO basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

g) Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution plans

Contribution towards Provident Fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution schemes as the Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

Defined benefit plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contributions to LIC.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

h) Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement Profit & Loss on a straight-line basis over the lease term.

i) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Sale of products:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

j) Other Income

i. Interest Income is recognized using the Effective interest rate (EIR) method.
ii. Dividend income is recognized when right to receive is established.

k) Foreign Currency Transactions/Translations:

Initial Recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the Transaction.

Translations

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange Differences

The exchange difference arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized in the Statement of Profit and Loss in the period in which they arise as income or as expense.

l) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Further, interest earned out of borrowed funds from temporary investments is reduced from the borrowing cost.

m) Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

(I) Financial Asset:

Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

(a) Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets 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 are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss. The company while applying above criteria has classified the following at amortized cost:

(a) Trade receivables

(b) Loans

(c) Other financial assets

(b) Financial Assets Measured at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(c) Financial Assets at fair value through profit or loss (FVTPL)

Financial Asset are measured at Fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value , the group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

De-recognition of Financial Assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of Profit & Loss.

Impairment of Financial Assets:

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance

(b) Financial Assets that are debt instruments and are measured at FVTOCI.

(c) Lease receivables under Ind AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset

(e) Loan commitments which are not measured at FVTPL

(f) Financial guarantee contracts which are not measured at FVTPL

(II) Financial Liability

Initial recognition and measurement

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The company is classifying the following under amortized cost

- Borrowings from banks
- Borrowings from others
- Trade payables
- Other Financial Liabilities

Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

n) Taxes on Income:

Tax expense comprises of current and deferred tax.

i. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act.

ii. Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

iii. Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss account as current tax. The Company recognizes MAT credit available as an asset to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss account and shown as "MAT Credit Entitlement".

o) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has 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 estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent Liabilities are not recognized but are disclosed in the notes.

p) Earning per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

q) Government Grant

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented in the balance sheet by setting up the grant as deferred income. Grants related to income are deducted in reporting the related expense in the statement of profit and loss.

29. **First-time adoption of Ind AS**

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).
Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below.

A. Mandatory Exceptions from retrospective application

Estimates:
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after accounting policies), unless there is an objective evidence that those estimates were in error.
Ind AS estimates as at 1 April, 2015 are consistent with the estimates as at same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Investments in equity instruments carried at FVTPL or FVTOCI
- Investments in debt instruments carried at FVTPL
- Impairment of financial assets based on expected credit loss model.

Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Optional Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.
Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101

1. Reconciliation of Equity 1st April, 2015

PARTICULARS	Note No.	As on 01.04.2015		As per Ind AS (01.04.2015) Audited
		Amount(Rs)	Ind AS Adj	Amount(Rs)
ASSETS				
Non-current assets				
a) Property Plant and Equipment		93,380,216		93,380,216
b) Capital work-in-progress		18,390,814		18,390,814
c) Other Intangible assets		606,461		606,461
d) Financial Assets				
(i) Investments		-	-	0
(iv) Others		242,700	-	242,700
e) Deferred tax assets (net)	1	6,329,587	500,580	6,830,167
d) Other non-current assets		742,837		742,837
Current assets				
(a) Inventories		4,440,162		4,440,162
(b) Financial Assets				
(i) Trade receivables		10,022,402		10,022,402
(ii) Cash and cash equivalents		1,576,179		1,576,179
(c) Current Tax Assets (Net)		7,942		7,942
(d) Other current assets		1,799,312	-1,621,272	178,040
Total Assets		**137538612**	**-1120692**	**136417919**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		22,376,340	-4,000,000	18,376,340
(b) Other Equity	2	40,523,247	-2,928,911	37,594,336
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		57,975,759	4,000,000	61,975,759
(b) Provisions				
(c) Deferred tax liabilities (Net)				
(d) Other non-current liabilities		0	1,674,886	1,674,886
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		-	-	-
(i) Trade payables		3,911,282		3,911,282

(ii) Other financial liabilities		10,521,081		10,521,081
(b) Other current liabilities	3	2,050,672	133,333	2,184,005
(c) Provisions		180,232		180,233
Total Equity and Liabilities		**137538612**	**-1120693**	**136417919**

2. A. Reconciliation of Equity 31st March, 2016

PARTICULARS	Note No.	As on 31.03.2016		As per Ind AS (31.03.2016) Audited
		Amount(Rs)	Ind AS Adj	Amount(Rs)
ASSETS				
Non-current assets				
a) Property Plant and Equipment		89,247,171		89,247,171
b) Capital work-in-progress		18,390,814		18,390,814
c) Other Intangible assets		685,054		685,054
d) Financial Assets				
(i) Investments		10,145	-	10,145
(iv) Others		301,053	-	301,053
e) Deferred tax assets (net)		10,854,684	-	10,854,684
d) Other non-current assets		727,853		727,853
Current assets				
(a) Inventories		4,935,097		4,935,097
(b) Financial Assets				
(i) Trade receivables		10,376,513		10,376,513
(ii) Cash and cash equivalents		193,050		193,050
(c) Current Tax Assets (Net)		10,055		10,055
(d) Other current assets		284,775		284,775
Total Assets		**136016264**	**0**	**136016264**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		22,376,340	-4,000,000	18,376,340
(b) Other Equity	2	30,387,072	-1,674,886	28,712,187
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		57,895,494	4,000,000	61,895,494
(b) Provisions				
(c) Deferred tax liabilities (Net)				
(d) Other non-current liabilities		0	1,541,553	1,541,553
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings				

		-	-	-
(i) Trade payables		7,005,653		7,005,653
(ii) Other financial liabilities		16,055,917		16,055,917
(b) Other current liabilities	3	2,030,323	133,333	2,163,656
(c) Provisions		265,466		265,467
Total Equity and Liabilities		**136016264**	**0**	**136016264**

Notes to reconciliation of balance sheet as previously reported under IGAAP to Ind-AS

1. **Deferred Tax**
   Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet approach for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences and deferred tax has been recognised on the same

2. **Other Equity**
   Adjustments to retained earnings have been made in accordance with Ind AS for the mentioned line items.

3. **Other current liabilities**
   Capital Subsidy received is treated as Capital Reserve in Indian GAAP. Under Ind AS, only income approach is allowed and the amount is to be transferred to Statement of Profit and loss over the period to match the fulfilment of the obligation.

B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016.

PARTICULARS	**Note No.**	**For the Year ended 31.03.2016**		**For The Year 31.03.2016 (As per Ind AS)**
		Amount(Rs)	**Ind AS Adjust**	**Rs.**
Revenue from operations		26,009,711		26,009,711
Other Income	1	31,279	133,333	164,612
Total Revenue (I + II)		**26,040,990**	**133,333**	**26,174,324**
Expenses				
Cost of Materials Consumed		6,019,453		6,019,453

Changes in inventories of finished goods, work in progress and Stock-in- trade		(312,435)		(312,435)
Excise Duty Expense		1,485,549		1,485,549
Employee benefits expense		12,647,441		12,647,441
Finance Costs		6,191,048		6,191,048
Depreciation and amortization expense (net of trnfr to revaluation reserve Rs.4236)		5,031,843		5,031,843
Other expenses		9,636,705	(1,621,272)	8,015,433
Total Expense		**40,699,604**	**(1,621,272)**	**39,078,332**
Profit before exceptional items and tax (III-IV)		**(14,658,614)**	**1,754,606**	**(12,904,008)**
Exceptional Items				
Profit before tax (VII-VIII)		**(14,658,614)**	**1,754,606**	**(12,904,008)**
Tax expense:				
(1) Current tax		0		
(2) Deferred tax(Net)		(4,522,538)	500,580	(4,021,958)
		(4,522,538)	**500,580**	**(4,021,958)**
Profit/(Loss) for the period from continuing operations (IX - X)		**(10,136,076)**	**1,254,026**	**(8,882,050)**
Profit/(Loss) for the period (XI + XIV)		**(10,136,076)**	**1,254,026**	**(8,882,050)**
Other Comprehensive Income			-	-
Total Comprehensive Income		**(10,136,076)**	**1,254,026**	**(8,882,050)**

Explanation for reconciliation of profit as previously reported under IGAAP to Ind AS

1. **Other Income**

   - Capital Subsidy received is treated as part of Reserve & Surplus in Indian GAAP.Under Ind AS, only Income Approach is allowed and the amount is to be transferred to PL over the period in the ratio of fulfilment of the obligation.

29 Employee Benefits

Defined Contribution Plan

Particulars	March 31, 2017	March 31, 2016
Provident Fund	166,328	218,521
Defined Benefit Plan (Gratuity)		
Movement of present value of the defined benefit obligation	March 31, 2017	**March 31, 2016**
Obligations at period beginning	-	
Service cost	2,358,979	-
Interest on defined benefit obligation		
Benefits settled		
Actuarial (gain)/loss		
Obligations at period end	2,358,979	-
Change in plan assets		
Plans assets at period beginning, at fair value	-	
Difference in opening balance		
Expected return on plan assets		
Actuarial gain/(loss)		
Employer contribution		
Benefits payout		
Plans assets at period end, at fair value	-	-
Reconciliation of present value of the obligation and the fair value of the plan assets:		
Closing pbo	2,358,979	-
Closing fair value of plan assets	-	-
Closing funded status	(2,358,979)	-
Unrecognised actuarial (gains)/losses		
Net asset/(liability) recognized in the balance sheet	(2,358,979)	-
Expenses recognised in the p & l account		
Service cost		
Interest cost	2,358,979	
Expected return on plan assets		
Actuarial (gain)/loss		
Net gratuity cost	**2,358,979**	-
Experience adjustment on plan assets		
Experience adjustment on plan liabilities	-	-

B.Principal actuarial assumptions	**March 31, 2017**	**March 31, 2016**
Interest rate		
Discount rate (based on the market yields available on Government bond at the accounting date with a term that matches that of the Liabilities)	7%	-
Expected rate of return on assets	7%	-
Salary increase (taking into account inflation, seniority, promotion and other relevent factor)	10%	
Attrition rate of employees	5%	-
Retirement age of employees (Years)	58	

Actuarial gain / loss is recognised immediately. The estimates of salary increase,inflation, promotion, Seniority etc taken in account. The Company has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specific no. of days (ranging from 15 days to 1 month) of the last drawn salary depending upon tenure of service for each year of completed service subject to minimum of five years payable at the time

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

Particulars	Year Ended 31st March 2017	
	Increase (in %)	Decrease (in %)
Discount rate	(10.24)	10.99
Salary increase	6.48	(7.10)
Attrition rate	(1.66)	1.05

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by 100 basis points, keeping all other actuarial assumptions constant.

30 Fair value measurment hierarchy:	Carrying Amount as at 31.03.2017				Carrying Amount as at 31.03.2016			
Financial Assets	**FVTPL**	**FVTOCI**	Amoritised Cost	**Total**	**FVTPL**	**FVTOCI**	**Amoritised Cost**	**Total**
31/03/2017								
Non Current Investment	-	-	10,875	10,875	-	-	10,145	10,145
Other Non-current financial asset			392,659	392,659			301,053	301,053
Trade receivable			11,895,718	11,895,718			10,376,513	10,376,513
Cash and Cash Equivalent	-	-	2,505,295	2,505,295	-	-	193,050	193,050
	-	-	14,804,547	14,804,547	-	-	10,880,761	10,880,761
Financial Liability.								-
Long Term Borrowings			71,796,652	71,796,652			61,895,494	
Short Term Borrowings			2,122,120	2,122,120			-	
Trade payables			5,703,721	5,703,721			7,005,653	7,005,653
Other Non-current financial liability			22,328,046	22,328,046			16,055,917	16,055,917
			101,950,539	101,950,539			84,957,064	23,061,570

*Since all the financial assets & financial liabilities are measured at amortised cost, fair value hierarchy is not provided.

31 **Financial Risk Management**

The company's activities expose it to a variety of financial risks such as Market Risk, Credit Risk and Liquidity Risk. The company's focuses on minimizing potential adverse effect on its financial performance.

(A) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The changes in the values of fianacial assets /liability may result from change in the foreign currency exchange rates (Foreign Currency Risk), change in interest rates (Cash flow & interest rate risk), and change in price of investments (Price Risk).

(i) Foreign Currency Risk (if applicable)

The company operates internationally and a major portion of the business is transacted in USD, EURO & GBP currencies and consequently, the company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The company holds derivative instruments such as foreign exchange forward, interest rate swaps and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

Particulars	31-Mar-17		31-Mar-16	
	USD	EURO	USD	EURO
Financial Assets				
Financial liabilities				
Trade payables	24,292	-	24,292	-
Total	24,292	-	24,292	-

Sensitivity analysis

Sensitivity analysis of 1% change in exchange rate at the eanding of the reporting period net of hedges.

Particulars	Impact on Profit & Loss		Impact on other component of equity	
	March,31,2017	March,31,2016	March,31,2017	March,31,2016
USD -Sensitivity				
Increase by 1% (loss)	(15,749)	-	(16,114)	
Decrease by 1% gain	15,749	-	16,114	

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses/ income and to manage the interest rate risk, the group mange its interest rate risk by having portfolio of fixed / variable interest rate on long / short term borrowings. The analysis is prepared assuming the amount of liablity outstanding at the eanding of the reporting period is average weighted balance of the respective reporting period.

According to the company interest rate risk exposure is only for floating rate borrowings, change in 0.5% in the interest rate component applicable to the short term borrowings would effect the group's net profit before tax at the end of the reporting period . year ended March 31, 2017 and March 31, 2016, respectively.

Particulars			March,31,2017	March,31,2016
Impact of net profit before tax due to Change in 0.50% interest on WCL			434	-

(iii) Price Risk

The company does not hold any investment and hence not exposed to any price risk.

(B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk is arises from its operation activity primarly from trade receivable and from its financial activity . Customer credit risk is controlled by analysis of credit limit and credit worthness of the customer on a continuous basis to whom the credit has been granted.

(C)Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations of its financial liability. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for making liability when they are due, under normal and stressed condition without incurring losses and risk.

The present available working capital facility is sufficient to meet its current requirment. Accordingly no liquidity risk is perceived. In addition, the company maintains the following line of credit facility.

Maturity profile of financial liabilities as on March 31,2017

Particilars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Short term borrowing	-	2,122,120	-	-
Long term borrowings	-	-	71,796,652	-
Trade and other payable	-	8,283,003	-	-
Other financial liability	-	22,328,046	-	-
Total	-	32,733,169	-	-

Maturity profile of financial liabilities as on March 31,2016

Particilars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Short term borrowing	-	-	-	-
Long term borrowings	-	-	61,895,494	-
Trade and other payable	-	9,169,309	-	-
Other financial liability	-	16,055,917		-
Total	-	25,225,226	61,895,494	-

32 Capital Management

The company's objectives when managing capital are to-

i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

ii) Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:
Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet)

Particlars			March 31, 2017	March 31, 2016
Net Debt			71,413,477	61,702,444
Total Equity			32,138,860	47,088,527
Debt Equity Ratio			**2**	**1**

33 Income Tax

Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

*Since Company has incurred loss,'hence tax rate reconciliation not provided.

Movement of Deferred tax Assets / Liability

Deffered Tax Liability For the year ended 31, March-2016	Opening balance	Charge (Credit) to Profit & Loss account	Through OCI	Closing balance
Property, plant and equipment, and intangible assets	10312336	581362	-	10,893,698
Capital subsidy accounted using Income Approach	-	-	-	-
Investments to be recognised at Fair Value through profit & loss	-	-	-	-
Corporate Guarantee notional income	-	-	-	-
Others	-	-	-	-
Gross deferred tax Liability	10,312,336	581,362	-	10,893,698
Gross deferred tax assets				
Defined benefit obligations	0	-		-
Capital Subsidy written back	0	536,938.00		536,938
Loss as per IT Act	16,641,923	4569522		21,211,445
Others	-	-	-	-
Gross deferred tax assets	16,641,923	5,106,460	-	21,748,383
Net Deferred Tax Liability/(Asset)	-6,329,587	-4,525,098	-	-10,854,685

Movement of Deferred tax Assets / Liability

Deffer Tax Liability For the year ended 31, March-2017	Opening balance	Charge (Credit) to Profit & Loss account	Through OCI	Closing balance
Property, plant and equipment, and intangible assets	10,893,698	402,738		11,296,436
Capital subsidy accounted using Income Approach				-
Investments to be recognised at Fair Value through profit & loss				-
Corporate Guarantee notional income				-
Exchange flactuation gain on share application money receipt				-
Others	-	-		-
Gross deferred tax Liability	10,893,698	402,738	-	11,296,436
Gross deferred tax assets				
Defined benefit obligations	-	-728,925		-728,925
Capital Subsidy written back	536,938	-495,738		41,200
Loss as per IT Act	21,211,445	3,148,550		24,359,995
Others	-	-		-
Gross deferred tax assets	21,748,383	1,923,887	-	23,672,270
Net Deferred Tax Liability/(Asset)	10,854,685	1,521,149	-	12,375,834

34 Segment Information

The Company is mainly engage in the business of manufacturing of pharmaceutical product and wind power generation, formulation and product developmnt are inter related and integral part of business of " pharmaceutical poducts ". In accordance with the provision of Ind AS -108 power segment in not falling in the prescribed limt specified under Ind-AS -108, hence segment reporting is not applicable.

(a) Information about Products and Services: AMT (LAKHS)

Product/Services	Revenue from product
Bulk Drug	-
Intermediate	-
Others	34,604,942

(b) Information about geographical areas

Geographical Information	Revenues	Non-current Assets
(A) Within India	33,668,812	118,786,208
(B) Outside India	-	-
(i) Europe	-	-
(ii) USA	-	-
(iii) Africa	936,130	-
Total	**34,604,942**	**118,786,208**

35 Payments to Auditors:

Particulars	FY2016-17	FY2015-16
Audit fee	17250	16854
Tax consultancy services	57500	57571
Total	74750	74425

Disclosure on specified bank notes (SBNs)

36

	SBN'S	r denomination Notes	Total
Closing cash in hand as on November 8, 2016	0	100*43=4300	4,385
		50*1=50	
		10*3=30	
		5*1=5	
(+) Permitted Receipts	0	0	166,585
(-) Permitted Payments	0	0	162,834
(-)Amount Deposited In Banks	0	0	-
Closing cash in hand as on December 30, 2016	0	453950	8,137

#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 November 8, 2016

37 Related party transactions

Related parties where control exists and related parties with whom transactions have taken place during the year are listed below:

(i) Key Management Perosonnel

Directors:

1. B.Vishnukanth
2. Ramakanth Inani
3. Rajender Sunki Reddy

(ii) Holding Company
Shilpa Medicare Ltd.

Rs. In Lakhs

Sr No	Name of the related party	Relationship	Description of transac	April 1, 2016 to March 31,2017 Income /(Expenses) Other Transaction	Balance as at March,31,2017 (Payable)/ Receivable	April 1, 2015 to March 31,2016 Income /(Expenses) Other Transaction	Balance as at March,31,2016 (Payable)/ Receivable
1	Mr.Katakam Venaktesh	Managing Director	Managerial remuner	-3.30	-	-16.80	-
2	Shilpa Medicare Ltd.	Holding Company	Sale of goods	6.22			
			Interest	-69.49		-61.40	
			Loan		-919.68		-735.64
			Expenses incurred on behalf of the related party			-1.12	

a) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures.

b) As the provisions for gratuity are obtained on an actuarial basis for the Company as a whole amounts pertaining to the Key Management Personnel are not specifically identified and hence not included in the above.

As per our report of even date
for S.N.M.Nandury & Co
Chartered Accountants
(firm Regn. No.006199S)

Surya Narayana Murthy N.
Proprietor
M.No.201040

Place: Hyderabad
Date: 27.05.2017

For and on behalf of Board of Directors

Sd/-
B. VISHNUKANTH
(DIRECTOR)

Sd/-
RAMAKANTH INANI
(DIRECTOR)

FOREIGN COMPANIES FINANCIALS

FINANCIAL STATEMENTS

M/S. KOANAA HEALTHCARE GmbH, AUSTRIA

FINANCIAL YEAR: 2016-17

KOANAA Healthcare GmbH

(All amount are in Indian Rupees unless otherwise stated)

Part - I - Balance Sheet as at 31st March 2017

PARTICULARS	Note	31st March 2017
ASSETS		
Non current assets		
(a) Property Plant and Equipment	1	2,920,119
(b) Other Intangible assets	1	2,739,068
(c) Intangible assets under development	1	12,592,833
Current assets		
(a) Inventories	2	48,502,285
(b) Financial Assets		
(i) Trade receivables	3	1,064,045
(ii) Cash and cash equivalents	4	5,616,568
(c) Other Current Assets	5	5,792,947
Total Assets		**79,227,865**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	6	6,925,000
(b) Other Equity		(53,151,549)
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	7	34,625,000
Current liabilities		
(a) Financial Liabilities		
(i) Trade payables	8	88,372,204
(ii) Other financial liabilities	9	827,869
(b) Other current liabilities		-
(c) Provisions	10	1,616,322
(d) Current Tax Liabilities (Net)	11	13,019
Total Equity and Liabilities		**79227865**

For and on behalf of the Board of Directors

Sd/-
Director

KOANAA Healthcare GmbH

(All amount are in Indian Rupees unless otherwise stated)

Part - II - Profit & Loss Account for the period ended 31st March 2017

Statement of Profit and loss for the Period ended	Note	31st March 2017
Revenue from operations		-
Other Income from Operation		-
Total revenue from operations		
Other Income	12	1,395,344
Total Revenue		**1,395,344**
Expenses		
a) Purchase of Stock in Trade	13	51,499,341
b) Change in inventory of finished goods, WIP and SIT	14	(51,335,892)
c) Employee benefits expense	15	35,915,109
d) Finance costs	16	473,476
e) Depreciation and amortisation expense	1	1,202,035
f) Other expenses	17	27,190,918
Total expenses		**64,944,988**
Profit / (Loss) before tax		**(63,549,644)**
Tax expense		
1.Current tax		36,648
2.Deferred tax (Net)		
Profit / (Loss) for the period		**(63,586,292)**
Other Comprehensive Income		-
Total Comprehensive Income for the period		**(63,586,292)**

For and on behalf of the Board of Directors

Sd/-

Director

STATEMENT OF CHANGES IN OTHER EQUITY

B. Other Equity in INR dated 31.03.2017

Particulars	Share application money pending allotment	Reserve and surplus	Foreign currency translation reserve	Total equity
Balance at 01.04.2016	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-
Total Comprehensive Income(loss) for the Year				
Application Money Received	6,925,000			6,925,000
Transfer to retained earnings		(63,586,292)		(63,586,292)
Foreign Currency Translation difference			3,509,743	3,509,743
Balance at 31.03.2017	**6,925,000**	**(63,586,292)**	**3,509,743**	**(53,151,549)**

Koanaa Healthcare, Austria
Cash Flow Statement for the year ended March 31, 2017
(All amounts in Indian Rupees unless otherwise stated)

Particulars	In INR 31.03.2017
Cash Flows from Operating Activities	
Profits Before Tax (PBT)	(63,549,644)
Less: Adjustments	
Interest received	629
FCTR	(4,576,071)
	(58,974,202)
Add: Adjustments	
Depreciation & Amortisation	1,202,035
Interest Paid	473,476
Operating profit before working capital changes & Other Adjustments	(57,298,691)
Adjustments for Increase / (Decrease) in Operating Liabilities	
- Trade Payables	88,372,204
- Other financial liabilities	553,085
- Short Term Provision	1,616,322
Adjustments for (Increase) / Decrease in Operating Receivables	-
- Inventories	(48,502,285)
- Trade Receivables	(1,064,045)
- Long Term Loans & Advances	
- Others	(5,792,947)
	35,182,334
Less: Income Taxes (Net)	(23,629)
Net Cash flow from Operating activities	**(22,139,985)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets (Incl.CWIP)	(20,520,385)
Interest received	629
Net cash used in Investing Activities	**(20,519,756)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in Long Term Borrowings	34,625,000
Dividend and Corporate Dividend tax paid	
Increase in Share Capital	6,925,000
Increase in Share Application Money	6,925,000
Interest paid	(198,692)
Net Cash earned from Finaning Activities	**48,276,308**
Net Increase/(decrease)in Cash and Cash Equivelants	**5,616,567**
Cash & Cash Equivelants at the Beginning of the year	-
Cash & Cash Equivelants at the End of the year	**5,616,567**

Components of Cash and Cash Equivalents	**3/31/2017 IN INR**
Cash on Hand	-
Cash at Banks	5,616,568
a) In Current Account	-
Total Cash and Cash Equivalents	**5,616,568**

Note:
1.Previous year figures have been reclassed whereever necessary.
2. Cash Flow statement has been prepared under Indirect method as per AS-7 "Statement of Cash flows" as prescribed under Companies (Accounting Standard) Rules, 2015.

For and on behalf of the Board of Directors

Sd/-
Director

KOANAA Healthcare GmbH 2016-17

(All amount are in Indian Rupees unless otherwise stated)

1 : Fixed Assets Schedule

Particulars	Gross Block						Accumulated Depreciation					Net block	
	Opening	Additions		Adjustment	Closing		Opening			Closing			
	As at 01 April-16	Addition	Total	Disposals	FCTR	As at 31.03.2017	As at 1st April 2016	Depreciation charged for the period 31.03.2017	Deductions/Other adjustments	FCTR	As at 31.03.2017	FCTR	As at 31.03.2017
	INR	INR	INR	INR		INR	INR	INR	INR		INR		INR
Tangible Assets					-								
Furniture & Fixtures	-	380,698	380,698	-	(21,014)	359,685	-	34,449	-	1,901	32,548	-	327,137
Vehicles	-	2,423,963	2,423,963	-	(133,796)	2,290,167	-	151,502	-	8,363	143,140	-	2,147,027
Office Equipment	-	615,098	615,098	-	(33,952)	581,146	-	143,147	-	7,901	135,245	-	445,901
	-	-		-	-	-		-	-	-	-		-
	-	**3,419,759**	**3,419,759**	-	**(188,762)**	3,230,997	-	**329,098**	-	**18,165**	**310,933**	-	**2,920,119**
Intangible Assets													
Computer Software	-	3,772,092	3,772,092		(208,210)	3,563,882	-	873,025	-	48,189	824,837	-	2,739,045
								-					
	-	**3,772,092**	**3,772,092**	-	**(208,210)**	**3,563,882**	-	**873,025**		**48,189**	**824,837**	-	**2,739,068**
TOTAL	-	**7,191,851**	**7,191,851**	-	**(396,971)**	**6,794,879**	-	**1,202,035**	-	**66,354**	**1,135,769**	-	**5,659,187**

Intangible assets under Development													
Product registration charge		13,328,534			(735,700)	12,592,833				-	-	-	12,592,833
		-			-	-				-	-	-	-
		13,328,534	-	-	**(735,700)**	**12,592,833**	-	-	-	-	-	-	**12,592,833**

KOANAA Healthcare GmbH

(All amount are in Indian Rupees unless otherwise stated)

2 **Inventories**

Particulars	31st March 2017
Stock in Trade	48,502,285
TOTAL	**48,502,285**

3 **Trade receivables**

	Koanaa (In INR)
Particulars	**31st March 2017**
Trade receivables	1,064,045
TOTAL	**1,064,045**

4 **Cash and cash equivalents**

	Koanaa (In INR)
Particulars	**31st March 2017**
a) Cash on hand	160,983
b) Balance with banks	5,455,584
TOTAL	**5,616,568**

5 **Other Current Assets**

Particulars	31st March 2017
a) VAT receivable	4,562,491
(b)Advance Receivable in cash or kind for value to be received	922,512
c) Prepaid expenses	307,943
	5,792,947
Less: Provision for doubful receivables	
TOTAL	**5,792,947**

6 **Share Capital**

Share Capital	
Particulars	**31st March 2017**
Authorised	
Authorised Capital:	
Equity shares 100,000@USD 1 Each	6,925,000
	6,925,000
Issued,Subscribed and fully Paid up	
Equity shares 100,000@USD 1 Each	
	6,925,000
TOTAL	**6,925,000**

7 **Long Term Borrowings**

Particulars	31st March 2017
b) Unsecured Loan	
From Holding Company-Shilpa Medicare Limited	34,625,000
Terms of Repayment:	-
Interest is charged at the rate of 1 Year LIBOR +350BSPw.e.f 1st disbursebment accrued on yearly basis. The said loan is repayable on or before December 2019	
TOTAL	34,625,000

KOANAA Healthcare GmbH
(All amount are in Indian Rupees unless otherwise stated)

Current liabilities

8 Trade Payables

Particulars	31st March 2017
Trade Payables	
(a) Creditors (Others)	88,372,204
TOTAL	**88,372,204**

9 Other financial liabilities

Particulars	31st March 2017
Interest Accrued & Due	274,784
a) Withholding and other tax payable	553,085
TOTAL	**827,869**

10 Short Term Provisions

Particulars	31st March 2017
Provision for employee benefits	
a) Contribution to PF & other fund	993,072
Provision for expenses	623,250
TOTAL	**1,616,322**

11 Current Tax Liabilities (Net)

Particulars	31st March 2017
a) Provision for taxation (Net)	13,019
TOTAL	**13,019**

12 Other Income

Particulars	31st March 2017
(a) Interest income	629
(b) Misc. Income	1,394,715
TOTAL	**1,395,344**

13 Purchase of Stock in Trade

Particulars	31st March 2017
Stock in Trade	51,499,341
TOTAL	**51,499,341**

KOANAA Healthcare GmbH

(All amount are in Indian Rupees unless otherwise stated)

14 Change in inventories of FG/ STI/ WIP

Particulars	31st March 2017
Opening stock	-
Less: Closing stock	
Stock in Trade	(51,335,892)
TOTAL	**(51,335,892)**

15 Employee Benefits Expense

Particulars	31st March 2017
Salaries, wages	33,104,250
EC- PF, Gratuity, & Other Fund	2,810,858
TOTAL	**35,915,109**

16 Finance Cost

Particulars	31st March 2017
Interest expense	
a) Others	473,476
TOTAL	**473,476**

17 Other Expense

Particulars	31st March 2017
Rent	396,339
Repairs and maintenance:	-
- Buildings	72,050
- Plant and Machinery	2,708
- Others	63,140
Rates and taxes,	1,332,042
Legal / Licence /Professional	15,997,695
Insurance	872,354
Traveling and conveyance	3,058,723
Transportation charges	557,287
Advertisement expenses & Sales Promotion	1,059,027
Bank charges	102,661
Miscellaneous expenses	3,676,892
TOTAL	**27,190,918**

18 Koanna Healthcare GMBH incorporated in July'2016 hence comperative figures not applicable.

19 Figures of the previous year/current year have been regrouped/rearranged wherever necessary.

20 **Related party transactions**

Sr No	Name of the related party	Relationship	Description of transaction	April 1, 2016 to March 31,2017 Income /(Expenses) Other Transaction	Balance as at March,31,2017 (Payable)/ Receivable	April 1, 2015 to March 31,2016 Income /(Expenses) Other Transaction	Balance as at March,31,2016 (Payable)/ Receivable
	Shilpa Medicare Ltd	Holding Company	Purchase of product	(51499341)		-	
			Interest	(274775)		-	
			Loan		(34625000)		-

For and on behalf of the Board of Directors

Sd/-
Director

FINANCIAL STATEMENTS

M/S. KOANAA HEALTHCARE LIMITED, UK

FINANCIAL YEAR: 2016-17

Koanaa Healthcare Limited, UK

(All amount are in Indian Rupees unless otherwise stated)

Part - I - Balance Sheet as at 31st March 2017

PARTICULARS	Note	31st March 2017(INR)	31st March 2016 (INR)
ASSETS			
Non-current assets			
(a) Intangible assets under development		8,948,078	-
Current assets		-	-
(a) Financial Assets		-	-
(i) Cash and cash equivalents	1	1,515,125	12,128,676
(b) Other current assets	2	252,993	-
Total Assets		**10,716,196**	**12,128,676**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	3	8,088	9,509
(b) Other Equity		(42,647,053)	(46,380,171)
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	4	51,763,200	-
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	5	1,532,110	58,499,339
(ii) Other financial liabilities	6	59,851	-
Total Equity and Liabilities		**10,716,196**	**12,128,676**

For and on behalf of the Board of Directors

Sd/-
Director

Koanaa Healthcare Limited, UK

(All amount are in Indian Rupees unless otherwise stated)

Part - II - Profit & Loss Statement for the period ended 31st March 2017

Statement of Profit and loss for the Period ended	**Note**	**IN INR 31st March 2017**	**IN INR 31st March 2016**
Revenue from operations			-
Total revenue from operations		-	-
Other Income	7	1,082	-
Total Revenue		**1,082**	-
Expenses			
a) Finance costs	8	3,219,193	-
b) Other expenses	9	347,265	12,273,303
Total Expenses		**3,566,459**	**12,273,303**
Profit / (Loss) before exceptional and extraordinary items and tax		**(3,565,376)**	**(12,273,303)**
Profit / (Loss) before tax		**(3,565,376)**	**(12,273,303)**
Tax expense			
1.Current tax		-	-
2.Deferred tax (Net)		-	-
Profit / (Loss) for the period from continuing operations		**(3,565,376)**	**(12,273,303)**
Profit / (Loss) for the period		**(3,565,376)**	**(12,273,303)**
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		**(3,565,376)**	**(12,273,303)**

For and on behalf of the Board of Directors

Sd/-
Director

STATEMENT OF CHANGES IN EQUITY

A. Other Equity in INR dated 31.03.2017

Particulars	Reserve and surplus	Foreign currency translation reserve	Total	Total equity
	Retained Eernings in INR			
As at 1 April 2016	**(46,226,256)**		**(46,226,256)**	**(46,226,256)**
Profit for the period	(3,565,376)		(3,565,376)	(3,565,376)
Other comprehensive income /Expenses		7144579	**7,144,579**	7,144,579
Total comprehensive income /Expenses	**(49,791,632)**	**7,144,579**	**(42,647,053)**	**(42,647,053)**
At 31 March 2017	**(49,791,632)**	**7,144,579**	**(42,647,053)**	**(42,647,053)**

Koanaa Healthcare, UK

Cash Flow Statement for the year ended March 31, 2017

(All amounts in Indian Rupees unless otherwise stated)

Particulars	31.03.2017	31.03.2016
Cash Flows from Operating Activities		
Profits Before Tax (PBT)	(3,565,376)	(12,273,303)
Less: Adjustments		
Interest received	1,082	-
FCTR	1,299,598	153,915
	(4,866,057)	(12,427,218)
Add: Adjustments		
Depreciation & Amortisation	-	-
Operating profit before working capital changes & Other Ad	(4,866,057)	(12,427,218)
Adjustments for Increase / (Decrease) in Operating Liabilities		
- Trade Payables	(56,967,228)	24,546,386
- Other financial liabilities	59,851	-
Adjustments for (Increase) / Decrease in Operating Receivables		
- Others	(252,993)	-
	(57,160,369)	24,546,386
Less: Income Taxes (Net)	-	
Net Cash flow from Operating activities	**(62,026,426)**	**12,119,167**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Incl.CWIP)	(8,948,079)	-
Interest received	1,082	-
Net cash used in Investing Activities	**(8,946,997)**	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Long Term Borrowings	60,359,871	-
Increase in Share Capital	-	9,509
Net Cash earned from Finaning Activities	**60,359,871**	**9,509**
Net Increase/(decrease)in Cash and Cash Equivelants	**(10,613,551)**	**12,128,676**
Cash & Cash Equivelants at the Beginning of the year	12,128,676	-
Cash & Cash Equivelants at the End of the year	**1,515,125**	**12,128,676**

Components of Cash and Cash Equivalents	**31/03/2017**	**31/03/2016**
Cash on Hand	-	-
Cash at Banks	1,515,125	12,128,676
a) In Current Account	-	-
Total Cash and Cash Equivalents	**1,515,125**	**12,128,676**

Note:

1.Previous year figures have been reclassed whereever necessary.

2. Cash Flow statement has been prepared under Indirect method as per AS-7 "Statement of Cash flows" as prescribed under Companies (Accounting Standard) Rules, 2015.

For and on behalf of the Board of Directors

Sd/-

Director

Koanaa Healthcare Limited, UK
(All amount are in Indian Rupees unless otherwise stated)

1 **Cash and cash equivalents**

Particulars	In INR 31st March 2017	In INR 31st March 2016
a) Cash on hand	-	-
b) Balance with banks	1,515,125	12,128,676
TOTAL	**1,515,125**	**12,128,676**

2 **Other Current Assets**

Particulars	31st March 2017	31st March 2016
i) Unsecured, considered good	-	-
a) VAT receivable	252,993	-
	252,993	-
Less: Provision for doubtful receivables	-	
TOTAL	**252,993**	-

3 **Share Capital**

Particulars	31st March 2017	31st March 2016
Authorised		
Authorised Capital:	-	
100 (100) ordinary Shares of GBP 1.00 each	8,088	9,509
	-	
	8,088	**9,509**
Issued		
Equity shares		
Issued,Subscribed and fully Paid up		
Equity shares		
100 (100) ordinary Shares of GBP 1.00 each	8,088	9,509
TOTAL	**8,088**	**9,509**

4 **Long term borrowings**

Particulars	31st March 2017	31st March 2016
b) Unsecured Loan		
From Holding Company-Shilpa Medicare Limited	51,763,200	57,533,115
Terms of Repayment: Interest is charged at the rate of 1 Year LIBOR +350BSPw.e.f 1st disbursebment accrued on yearly basis. The said loan is repayable on or before December 2019		
TOTAL	**51,763,200**	**57,533,115**

Koanaa Healthcare Limited, UK

(All amount are in Indian Rupees unless otherwise stated)

5 **Trade Payables**

Particulars	31st March 2017	31st March 2016
Trade Payables		
(a) Creditors (Others)	1,532,110	966,223
TOTAL	**1,532,110**	**966,223**

6 **Other current liabilities**

Particulars	31st March 2017	31st October 2015
Interest Accrued & Due	59,851	-
TOTAL	**59,851**	-

7 **Other income**

Particulars	31st March 2017	31st March 2016
(a) Interest income	1,082	-
TOTAL	**1,082**	-

8 **Finance Cost**

Particulars	31st March 2017	31st March 2016
Interest expense		
a) Others	3,219,193	-
TOTAL	**3,219,193**	-

9 **Other Expenses**

Particulars	31st March 2017	31st March 2016
Professional Charges	328,323	367,473
Product Filing Charges	-	11,878,314
Bank charges	18,942	27,516
TOTAL	**347,265**	**12,273,303**

10 Shilpa Medicare Ltd. Holding company has acquired 100% share of the company hence opening balance sheet as on 01.04.2015 is not applicable.

11 Figures of the previous year/current year have been regrouped/rearranged wherever necessary.

12 **Related party transactions**

Sr No	Name of the related party	Relationship	Description of transaction	April 1, 2016 to March 31,2017 Income /(Expenses) Other Transaction	Balance as at March,31,2017 (Payable)/ Receivable	April 1, 2015 to March 31,2016 Income /(Expenses) Other Transaction	Balance as at March,31,2016 (Payable)/ Receivable
	Shilpa Medicare Ltd.	Holding Company	Interest	(3,219,193)		-	-
			Loan		(51,823,051)	-	-
			Trade Payable	-	-		(57,533,115)

For and on behalf of the Board of Directors

Sd/-
Director

ZATORTIA HOLDINGS LTD

REPORT AND FINANCIAL STATEMENTS
31 March 2017

JCP
AuditCo Ltd
Certified Public Accountants

GENEVA GROUP INTERNATIONAL

ZATORTIA HOLDINGS LTD

REPORT AND FINANCIAL STATEMENTS
31 March 2017

CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Advisoryco Ltd Panadem Secretarial Ltd Vishnukant Bhutada
Company Secretary:	Panadem Secretarial Ltd
Independent Auditors:	JCP AUDITCO LTD Certified Public Accountants and Registered Auditors 70 Kennedy Avenue, 4th Floor Papavasiliou Building 1076 Nicosia, Cyprus
Registered office:	Lapithou 1 Tseri, Nicosia 2480 Cyprus
Banker:	Bank of Cyprus Public Company Ltd
Registration number:	HE177639

ZATORTIA HOLDINGS LTD

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 March 2017.

Principal activity and nature of operations of the Company
The principal activity of the Company, which is unchanged from last year, is investment holding.

Review of current position, future developments and performance of the Company's business
The net loss for the year attributable to the shareholders of the Company amounted to €4.799 (2016: €4.726). On 31 March 2017 the total assets of the Company were €3.317.273 (2016: €3.316.661) and the net assets of the Company were €3.308.190 (2016: €3.312.989). The financial position, development and performance of the Company as presented in these financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

Existence of branches
The Company does not maintain any branches.

Results
The Company's results for the year are set out on page 6. The net loss for the year is carried forward.

Share capital
There were no changes in the share capital of the Company during the year under review.

Board of Directors
The members of the Company's Board of Directors as at 31 March 2017 and at the date of this report are presented on page 1.

All of them were members of the Board of Directors throughout the year ended 31 March 2017.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 18 to the financial statements.

Independent Auditors
The Independent Auditors, JCP AUDITCO LTD, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

PARADIGM SECRETARIAL LTD

Paradigm Secretarial Ltd
Secretary

Nicosia, 10 May 2017

Independent Auditor's Report

To the Members of ZATORTIA HOLDINGS LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company ZATORTIA HOLDINGS LTD (the "Company"), which are presented in pages 6 to 17 and comprise the statement of financial position as at 31 March 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the parent company as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report, but does not include the financial statements and our auditor's report thereon.

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

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

70 Kennedy Avenue, Papavassiliou Bldg
4th Floor, 1076 Nicosia, Cyprus
P.O.Box 20679, 1662 Nicosia, Cyprus
Telephone: +357 22210410, Fax: +357 22210440
Email: info@jcp.eu.com
Website: www.jcp.eu.com

Independent Auditor's Report (continued)

To the Members of ZATORTIA HOLDINGS LTD

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

JCP
AuditCo Ltd

Independent Auditor's Report (continued)

To the Members of ZATORTIA HOLDINGS LTD

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the management report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Loucas Hadjigeorgiou
Certified Public Accountant and Registered Auditor
for and on behalf of
JCP AUDITCO LTD
Certified Public Accountants and Registered Auditors

Nicosia, 10 May 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
31 March 2017

	Note	31/3/2017 €	31/3/2016 €
Administration and other expenses	5	(4.163)	(4.163)
Operating loss	6	**(4.163)**	(4.163)
Finance costs	7	(636)	(563)
(Loss) before tax		**(4.799)**	(4.726)
Tax	8	-	-
Net loss for the year		**(4.799)**	(4.726)
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive expenses for the year		**(4.799)**	(4.726)

The notes on pages 10 to 17 form an integral part of these financial statements.

ZATORTIA HOLDINGS LTD

STATEMENT OF FINANCIAL POSITION
31 March 2017

	Note	31/3/2017 €	31/3/2016 €
ASSETS			
Non-current assets			
Investments in subsidiaries	9	**3.316.403**	3.316.403
Current assets			
Receivables	10	**303**	258
Cash at bank and in hand	11	**567**	-
		870	258
Total assets		**3.317.273**	3.316.661
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**3.420**	3.420
Share premium		**3.346.870**	3.346.870
Accumulated losses		**(42.100)**	(37.301)
Total equity		**3.308.190**	3.312.989
Current liabilities			
Trade and other payables	14	**9.083**	3.583
Borrowings	13	**-**	89
Total liabilities		**9.083**	3.672
Total equity and liabilities		**3.317.273**	3.316.661

On 10 May 2017 the Board of Directors of ZATORTIA HOLDINGS LTD authorised these financial statements for issue.

ADVISORYCO LTD

Advisoryco Ltd
Director

PANADEM SECRETARIAL LTD

Panadem Secretarial Ltd
Director

The notes on pages 10 to 17 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
31 March 2017

	Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 1 April 2015	**3.420**	**3.346.870**	**(32.575)**	**3.317.715**
Net loss for the year	-	-	(4.726)	(4.726)
Balance at 31 March 2016/ 1 April 2016	**3.420**	**3.346.870**	**(37.301)**	**3.312.989**
Net loss for the year	-	-	(4.799)	(4.799)
Balance at 31 March 2017	**3.420**	**3.346.870**	**(42.100)**	**3.308.190**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

STATEMENT OF CASH FLOWS
31 March 2017

	Note	31/3/2017 €	31/3/2016 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before tax		**(4.799)**	(4.726)
Adjustments for:			
Interest expense	7	**2**	-
		(4.797)	(4.726)
Changes in working capital:			
Increase in receivables		**(45)**	-
Increase in trade and other payables		**5.500**	1.500
Cash generated from/(used in) operations		**658**	(3.226)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(2)**	-
Net cash used in financing activities		**(2)**	-
Net increase/(decrease) in cash and cash equivalents		**656**	(3.226)
Cash and cash equivalents at beginning of the year		**(89)**	3.137
Cash and cash equivalents at end of the year	11	**567**	(89)

The notes on pages 10 to 17 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017

1. Incorporation and principal activities

Country of incorporation

The Company ZATORTIA HOLDINGS LTD (the "Company") was incorporated in Cyprus on 2 June 2006 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Lapithou 1, Tseri, Nicosia, 2480, Cyprus.

Principal activity and nature of operations of the Company

The principal activity of the Company, which is unchanged from last year, is investment holding.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a small sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the year ended 31 March 2017.

The European Union has concluded that since its 4th Directive requires parent companies to prepare separate financial statements, and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the European Union, the provisions of International Financial Reporting Standard 10 'Consolidated Financial Statements' that require the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 April 2016. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

2. Significant accounting policies (continued)

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017

2. Significant accounting policies (continued)

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. Financial risk management

Financial risk factors
The Company is exposed to interest rate risk, credit risk, liquidity risk, compliance risk, litigation risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31/3/2017	31/3/2016
	€	€
Receivables	**45**	-
Cash at bank	**567**	-
	612	-

3.3 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

3. Financial risk management (continued)

3.3 Liquidity risk (continued)

31 March 2017	Carrying amounts €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Payables to related parties	7.000	-	7.000	-	-	-
	7.000	-	**7.000**	-	-	-

31 March 2016	Carrying amounts €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Bank overdrafts	89	-	89	-	-	-
Payables to related parties	1.500	-	1.500	-	-	-
	1.589	-	1.589	-	-	-

3.4 Compliance risk
Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the shareholders, as well as by the monitoring controls applied by the Company.

3.5 Litigation risk
Litigation risk is the risk of financial loss, interruption of the Company's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Company to execute its operations.

3.6 Capital risk management
Capital includes equity shares and share premium.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017

4. Critical accounting estimates and judgements (continued)

The estimates and assumptions 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:

- **Impairment of investments in subsidiaries**

  The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

5. Administration and other expenses

	31/3/2017	31/3/2016
	€	€
Annual levy	**350**	350
Auditors' remuneration for the statutory audit of annual accounts	**1.785**	1.785
Auditors' remuneration for tax advice	**298**	298
Other professional fees	**183**	183
Nominee fees	**1.547**	1.547
	4.163	4.163

6. Operating loss

	31/3/2017	31/3/2016
	€	€
Operating loss is stated after charging the following items:		
Auditors' remuneration for the statutory audit of annual accounts	**1.785**	1.785
Auditors' remuneration for tax advice	**298**	298

7. Finance costs

	31/3/2017	31/3/2016
	€	€
Interest expense	**2**	-
Sundry finance expenses	**634**	563
	636	563

8. Tax

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	31/3/2017	31/3/2016
	€	€
(Loss) before tax	**(4.799)**	(4.726)
Tax calculated at the applicable tax rates	**(600)**	(591)
Tax effect of expenses not deductible for tax purposes	**600**	591
Tax charge	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017

8. Tax (continued)

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

9. Investments in subsidiaries

	2017	2016
	€	€
Balance at 1 April	3.316.403	3.316.403
Balance at 31 March	**3.316.403**	3.316.403

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding %	31/3/2017 €	31/3/2016 €
Loba Feinchemie Gmbh	Austria	Pharmaceutical Co.	99,98	3.316.403	3.316.403

10. Receivables

	31/3/2017	31/3/2016
	€	€
Deposits and prepayments	258	258
Other receivables	45	-
	303	2[illegible]

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to receivables is reported in note 3 of the financial statements.

11. Cash at bank and in hand

For the purposes of the statement of cash flows, the cash and cash equivalents include the following

	31/3/2017	31/3/2016
	€	€
Cash at bank and in hand	567	-
Bank overdrafts (Note 13)	-	(89)
	567	(89)

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

12. Share capital

	2017 Number of shares	2017 €	2016 Number of shares	2016 €
Authorised				
Ordinary shares of €1,71 each	**2.000**	**3.420**	2.000	3.420
Issued and fully paid				
Balance at 1 April	**2.000**	**3.420**	2.000	3.420
Balance at 31 March	**2.000**	**3.420**	2.000	3.420

13. Borrowings

	31/3/2017 €	31/3/2016 €
Current borrowings		
Bank overdrafts (Note 11)	-	89

14. Trade and other payables

	31/3/2017 €	31/3/2016 €
Shareholders' current accounts - credit balances (Note 15.2)	**1.500**	1.500
Accruals	**2.083**	2.083
Payables to own subsidiaries (Note 15.1)	**5.500**	-
	9.083	3.583

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

15. Related party transactions

The Company is controlled by Shilpa Medicare Ltd, incorporated in India, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

15.1 Payables to related parties (Note 14)

Name	Nature of transactions	31/3/2017 €	31/3/2016 €
Loba Feinchemie GmbH	Finance	**5.500**	-

15.2 Shareholders' current accounts - credit balances (Note 14)

	31/3/2017 €	31/3/2016 €
Shilpa Medicare Ltd	**1.500**	1.500

The shareholders' current accounts are interest free, and have no specified repayment date.

16. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2017.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017

18. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 3 and 5

DETAILED STATEMENT OF COMPREHENSIVE INCOME
31 March 2017

	Page	31/3/2017 €	31/3/2016 €
Other operating expenses	19	**(4.163)**	(4.163)
Operating loss		**(4.163)**	(4.163)
Finance costs	20	**(636)**	(563)
Net loss for the year before tax		**(4.799)**	(4.726)

OTHER OPERATING EXPENSES
31 March 2017

	31/3/2017 €	31/3/2016 €
Annual levy	**350**	350
Auditors' remuneration for the statutory audit of annual accounts	**1.785**	1.785
Auditors' remuneration for tax advice	**298**	298
Other professional fees	**183**	183
Nominee fees	**1.547**	1.547
	4.163	4.163

FINANCE COSTS
31 March 2017

	31/3/2017 €	31/3/2016 €
Finance costs		
Interest expense		
Bank overdraft interest	**2**	-
Sundry finance expenses		
Bank charges	**634**	563
	636	563

FINANCIAL STATEMENTS

M/s. MAKINDUS INC. USA

FINANCIAL YEAR : 2016-17

Makindus INC USA

Part - I - Balance Sheet as at 31.03.2017

(All amount are in Indian Rupees unless otherwise stated)

		INR	INR	INR
		31st March 2017	**31st March 2016**	**1st Apr 15**
ASSETS				
Non-current assets				
Current assets				
(a) Financial Assets				
(i) Trade Receivable	1	1,574,868	1,611,377	1,520,473
(ii) Cash and Cash equivalents	2	191,162	18,024,670	59,579,728
Total Assets		**1,766,030**	**19,636,047**	**61,100,201**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	3	219,903	225,001	312,954
(b) Other Equity		(30,447,984)	(13,259,189)	56,924,911
LIABILITIES				
Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	4	31,994,111	32,670,235	3,862,336
Total Equity and Liabilities		**1,766,030**	**19,636,047**	**61,100,200**

For and on behalf of the Board of Directors

Sd/-
Director

Makindus INC USA

Part - II - Statement of Profit and Loss for the Period 31st March 2017

(All amount are in Indian Rupees unless otherwise stated)

		INR	INR	INR
Particulars	**Note**	**31st March 2017**	**31st March 2016**	**1st Apr' 2015**
Sales				
Other income	5	44,647	10,578	277,994
Total Revenue		**44,647**	**10,578**	**277,994**
Expenses				
a) Employee benefits expense	6	13,954,557	19,852,697	16,833,225
b) Other expenses	7	4,042,500	51,332,156	26,673,171
c) Depreciation				185,754
Total expenses		**17,997,057**	**71,184,853**	**43,692,150**
Profit / (Loss) before extraordinary items and tax		**(17,952,410)**	**(71,174,274)**	**(43,414,155)**
Extraordinary (Income) / Expense				
Profit / (Loss) before tax after Extra ordinary Item		**(17,952,410)**	**(71,174,274)**	**(43,414,155)**
Tax expense				
1.Current Income tax				
Less: Mat Credit Entitlement				
-Items that will be reclassified to profit or loss				
Total Comprehensive Income for the period		**(17,952,410)**	**(71,174,274)**	**(43,414,155)**

For and on behalf of the Board of Directors

Sd/-

Director

STATEMENT OF CHANGES IN OTHER EQUITY

Other Equity in INR dated 31.03.2017

Particulars	Reserve and surplus		Foreign currency translation reserve	Total	Total equity
	Securities Premium Reserve	Retained Eernings in INR			
Balance at 01.04.2015	**124,868,646**	**(64,815,320)**	**(3,128,415)**	**56,924,911**	**56,924,911**
Due to change/in currency Fluctuation	7,572,086	(71,174,275)	(6,581,912)	(70,184,101)	(60,473,774)
Balance at 31.03.2016	**132,440,732**	**(135,989,595)**	**(9,710,327)**	**(13,259,189)**	**(13,259,189)**
Restated balance at the beginning of the reporting period				-	
Total Comprehensive Income((Expenses) for the Year		(17,952,410)	3,764,316	(14,188,094)	(14,188,094)
Due to change/in currency fluctuation	(3,000,701)			(3,000,701)	(3,000,701)
Balance at 31.03.2017	**129,440,032**	**(153,942,004)**	**(5,946,011)**	**(30,447,984)**	**(30,447,984)**

Makindus INC USA

Cash Flow Statement for the year ended March 31, 2017

(All amounts in Indian Rupees unless otherwise stated)

Particulars	31.03.2017	31.03.2016
Cash Flows from Operating Activities		
Profits Before Tax (PBT)	(17,952,410)	(71,174,274)
Less: Adjustments		
Interest received	44,647	10,578
FCTR	(795,026)	(811,317)
	(17,202,031)	(70,373,536)
Adjustments for Increase / (Decrease) in Operating Liabilities		
- Trade Payables	(676,124)	28,807,899
Net Cash flow from Operating activities	**(17,878,155)**	**(41,565,637)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	44,647	10,578
Net cash used in Investing Activities	**44,647**	**10,578**
Net Increase/(decrease)in Cash and Cash Equivelants	**(17,833,508)**	**(41,555,058)**
Cash & Cash Equivelants at the Beginning of the year	18,024,670	59,579,728
Cash & Cash Equivelants at the End of the year	**191,162**	**18,024,670**

As per Balance sheet	191,162	18,024,670
	-	-

Components of Cash and Cash Equivalents	31/3/2017	31/3/2016
Cash on Hand	-	-
Cash at Banks	191,162	18,024,670
a) In Current Account	-	-
Total Cash and Cash Equivalents	**191,162**	**18,024,670**

Note:

1.Previous year figures have been reclassed whereever necessary.

2. Cash Flow statement has been prepared under Indirect method as per AS-7 "Statement of Cash flows" as prescribed under Companies (Accounting Standard) Rules, 2015.

For and on behalf of the Board of Directors

Sd/-
Director

Makindus INC USA

Schedules of Balance Sheet & Profit & Loss account as at 31.03.2017

1. Trade Receivable	INR	INR	INR
Particulars	**31.03.2017**	**31.03.2016**	**01.04.2015**
a) Trade receivable below six months			
b) Trade receivable more than six months	1,574,868	1,611,377	1,520,473
	1,574,868	1,611,377	1,520,473

2. Cash and cash equivalents	INR	INR	INR
Particulars	**31.03.2017**	**31.03.2016**	**01.04.2015**
a) Balance with banks in current account	(484)	458,407	570,391
b)Fixed Deposit	191,646	17,566,263	59,009,338
	191,162	18,024,670	59,579,728

3. Share Capital	INR	INR	INR
Particulars	**31.03.2017**	**31.03.2016**	**31.03.2015**
Authorised			
Equity shares			
5000000 Shares . At 0.001 USD per share.	219,903	225,001	312,954
	219,903	**225,001**	**312,954**
Issued subscribed & paid up			
33,92,308 Shares . At 0.001 USD per share.	219,903	225,001	312,954
(50,00,000 Shares At 0.001 USD / Share in P.Y.)			
	219,903	225,001	312,954

4. Trade Payable	INR	INR	INR
Particulars	**31.03.2017**	**31.03.2016**	**01.04.2015**
Unsecured			
(a) From others	31,994,111	32,670,235	3,862,336
	31,994,111	32,670,235	3,862,336

5.Other Income	INR	INR	INR
Particulars	**31.03.2017**	**31.03.2016**	**01.04.2015**
a) Interest Received	44,647	10,578	277,994
	44,647	10,578	277,994

6. Employee Benefit Expenses	INR	INR	INR
Particulars	**31.03.2017**	**31.03.2016**	**01.04.2015**
Salary , Wages	10,961,322	16,205,465	14,997,973
EC-PF-Grautity & Other Fund	1,245,113	1,454,251	683,889
Workmen and staff welfare expenses	1,748,122	2,192,981	1,151,363
	13,954,557	19,852,697	16,833,225

7. Other Expenses	INR	INR	INR
Particulars	**31.03.2017**	**31.03.2016**	**01.04.2015**
Rent	200,462	969,384	415,659
Repairs & Maint			
a) Others	79,577	343,183	246,576
Bank Charges	19,705	32,450	25,015
Legal /Professional	618,491	14,004,608	14,629,353
Travelling Expenses	564,779	1,656,688	1,399,784
Miscellaneous expenses	2,482,440	2,278,896	2,457,380
Licence Fees	-	18,579	-
Insurance	60,494	96,254	137,563
R& D Expenses	-	31,897,654	7,345,271
Advertisment & Promotion	16,551	34,460	16,569
	4,042,500	51,332,156	26,673,171

8. Figures of the previous year have been regrouped/rearranged wherever necessary to confirm curreny year figure .