

# Naresh J. Patel & Co.

CHARTERED ACCOUNTANTS

## Independent Auditor's Report

To the Members of TEXAS LIFESCIENCES PRIVATE LIMITED

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of TEXAS LIFESCIENCES PRIVATE LIMITED ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

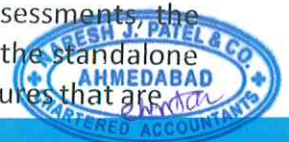
### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are



appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure 1, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
  - (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2"; and



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

- i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements
- ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Ahmedabad  
Date: 30/04/2018



**For Naresh J Patel & Co.**  
Chartered Accountants  
FRN: 123227W

*Chintan N. Patel*

**Chintan N. Patel**  
Partner  
Membership No.: 110741

# Naresh J. Patel & Co.

CHARTERED ACCOUNTANTS

## ANNEXURE 1 TO THE AUDITORS' REPORT

Referred to in our report of even date to the members of Texas Lifesciences Private Limited on the accounts for the year ended 31st March 2018.

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

- I. a. The company has maintained records showing particulars of fixed assets including Quantitative details and situation of fixed assets on the basis of available information.
- b. Fixed assets of the company have not been physically verified by the management during the year, moreover there is no regular programme for verification of fixed assets at reasonable intervals.
- c. The title deed of immovable properties are not produced before us, however as informed to us title deed of all the immovable properties exist on the name of the Texas laboratories and the same is under procedure for name change.
- II. The inventory has been physically verified by the management at reasonable intervals as per the report furnished to us. The material discrepancies noticed during physical verification, have been properly dealt in books of accounts.
- III. The Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnership or other parties covered in register maintained under Section 189 of the Companies Act, 2013.

In view of the above, the clauses 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable.

- IV. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013.
- V. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- VI. According to information & Explanation given to us, Maintenance of cost records as prescribed by central government under sub section (1) of section 148 of companies act, 2013 is not applicable.
- VII. (a) Undisputed statutory dues including provident fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to information and explanation given to us and as certified by the management, there are no undisputed dues as on 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute
- VIII. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.
- IX. The company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans during the year.
- X. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.
- XI. The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- XII. The provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company.
- XIII. The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in note-\_\_ to the financial statements as required by the applicable accounting standards.
- XIV. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- XV. The Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.
- XVI. According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.

Place: Ahmedabad  
Date: 30/04/2018



**For Naresh J Patel & Co.**  
Chartered Accountants  
FRN: 123227W

*Chintan N. Patel*

**Chintan N. Patel**  
Partner  
Membership No.: 110741

## Annexure - 2 to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TEXAS LIFESCIENCES PRIVATE LIMITED ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

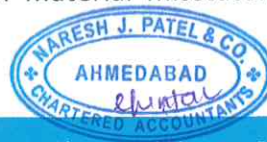
#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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



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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal controls over financial reporting criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Place: Ahmedabad  
Date: 30/04/2018



**For Naresh J Patel & Co.**  
Chartered Accountants  
FRN: 123227W

*Chintan N. Patel*

**Chintan N. Patel**  
Partner

Membership No.: 110741

**Texas Lifescience Private Limited**  
Balance Sheet as at 31st March, 2018

(In INR)

| Particulars                                | Notes | As at 31st March 2018 |
|--|-------|-----------------------|
| <b>ASSETS</b>                              |       |                       |
| <b>Non-current assets</b>                  |       |                       |
| Property Plant and Equipment               | 2     | 47,109,545            |
| Capital work-in-progress                   |       | -                     |
| Investment Property                        |       | -                     |
| Goodwill                                   |       | -                     |
| Other Intangible assets                    |       | -                     |
| Intangible assets under development        |       | -                     |
| Biological Assets other than bearer plants |       | -                     |
| <b>Financial Assets</b>                    |       |                       |
| Investments                                |       | -                     |
| Trade receivables                          |       | -                     |
| Loans                                      |       | -                     |
| Others                                     |       | -                     |
| Deferred tax assets (net)                  |       | -                     |
| Other non-current assets                   |       | -                     |
| <b>Current assets</b>                      |       |                       |
| Inventories                                | 3     | 874,911               |
| <b>Financial Assets</b>                    |       |                       |
| Investments                                |       | -                     |
| Trade receivables                          | 4     | 2,975,317             |
| Cash and cash equivalents                  | 5     | 1,026,123             |
| Other Balances with Bank                   |       | -                     |
| Loans                                      |       | -                     |
| Others                                     |       | -                     |
| Current Tax Assets (Net)                   |       | -                     |
| Other current assets                       | 6     | 1,499,866             |
| <b>Total Assets</b>                        |       | <b>53,485,762</b>     |
| <b>EQUITY AND LIABILITIES</b>              |       |                       |
| <b>Equity</b>                              |       |                       |
| Equity Share capital                       | 7     | 48,078,500            |
| Other Equity                               | 8     | (5,954,199)           |
| <b>LIABILITIES</b>                         |       |                       |
| <b>Non-current liabilities</b>             |       |                       |
| <b>Financial Liabilities</b>               |       |                       |
| Borrowings                                 |       | -                     |
| Trade payables                             |       | -                     |
| Other financial liabilities                |       | -                     |
| Provisions                                 |       | -                     |
| Deferred tax liabilities (Net)             |       | 5,727,490             |
| Other non-current liabilities              |       | -                     |
| <b>Current liabilities</b>                 |       |                       |
| <b>Financial Liabilities</b>               |       |                       |
| Borrowings                                 | 9     | 2,648,513             |
| Trade payables                             | 10    | 1,707,774             |
| Other financial liabilities                | 11    | 380,419               |
| Other current liabilities                  | 12    | 821,265               |
| Provisions                                 | 13    | 66,000                |
| Current Tax Liabilities (Net)              |       | 10,000                |
| <b>Total Equity and Liabilities</b>        |       | <b>53,485,762</b>     |

In terms of our report of even date.

For Naresh J Patel & Co  
Chartered Accountants  
FRN : 123223W

*Chintan N. Patel*  
Chintan N Patel

Partner  
Mem No 110741

Place : Ahmedabad  
Date : 30 April 2018



For Texas Lifescience Private Limited

*Rajiv Gandhi*  
Rajiv Gandhi

Director  
Din: 00438037

Place : Ahmedabad  
Date : 30-04-2018

*Parag Bhavsar*  
Parag Bhavsar

Director  
Din: 00844097



**Texas Lifescience Private Limited**  
Statement of Profit and Loss for the year ended 31st March, 2018

(In INR)

| Particulars   | Notes | For the Year Ended 31st March 2018 |
|---|-------|------------------------------------|
| Revenue from operations   | 14    | 14,693,065                         |
| Other income  | 15    | 44,155                             |
| <b>Total Income</b>   |       | <b>14,737,220</b>                  |
| <b>Expenses</b>   |       |                                    |
| Cost of materials consumed  | 16    | 8,931,540                          |
| Purchases of Stock-in-Trade   |       | -                                  |
| Changes in inventories of finished goods, Stock-in -Trade and work-in-progress  |       | -                                  |
| Employee benefits expense   | 17    | 2,908,768                          |
| Finance costs   | 18    | 20,389                             |
| Depreciation and amortization expense   | 19    | 882,730                            |
| Other expenses  | 20    | 1,723,987                          |
| <b>Total expenses</b>   |       | <b>14,467,414</b>                  |
| <b>Profit/(loss) before exceptional items and tax</b>                           |       | <b>269,806</b>                     |
| Exceptional Items   |       | -                                  |
| <b>Profit/(loss) before tax</b>   |       | <b>269,806</b>                     |
| <b>Tax expense:</b>   |       |                                    |
| Current tax   |       | (210,000)                          |
| Deferred tax  |       | 391,565                            |
| <b>Profit (Loss) for the period from continuing operations</b>                  |       | <b>451,371</b>                     |
| Profit/(loss) from discontinued operations                                      |       | -                                  |
| Tax expense of discontinued operations  |       | -                                  |
| <b>Profit/(loss) from Discontinued operations (after tax)</b>                   |       | <b>451,371</b>                     |
| <b>Profit/(loss) for the period</b>   |       | <b>-</b>                           |
| <b>Other Comprehensive Income</b>   |       |                                    |
| Items that will not be reclassified to profit or loss                           |       | -                                  |
| Income tax relating to items that will not be reclassified to profit or loss    |       | -                                  |
| Items that will be reclassified to profit or loss                               |       | -                                  |
| Income tax relating to items that will be reclassified to profit or loss        |       | -                                  |
| <b>Total Comprehensive Income for the period</b>                                |       | <b>-</b>                           |
| <b>Earnings per equity share (for continuing operation):</b>                    |       |                                    |
| Basic   |       | 0.16                               |
| Diluted   |       | 0.16                               |
| <b>Earnings per equity share (for discontinued operation):</b>                  |       |                                    |
| Basic   |       | -                                  |
| Diluted   |       | -                                  |
| <b>Earnings per equity share (for continuing &amp; discontinued operation):</b> |       |                                    |
| Basic   |       | 0.16                               |
| Diluted   |       | 0.16                               |

In terms of our report of even date.

For Naresh J Patel & Co  
Chartered Accountants  
FRN : 123223W

*Chintan N Patel*

Chintan N Patel  
Partner  
Mem No 110741

Place : Ahmedabad  
Date : 30 April 2018



For Texas Lifescience Private Limited

*Rajiv Gandhi*

Rajiv Gandhi Parag Bhavsar  
Director Director  
Din: 00438037 Din: 00844097

Place : Ahmedabad  
Date : 30-04-2018

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

| BALANCE AT THE BEGINNING OF 06.06.2017 | CHANGES IN EQUITY SHARE CAPITAL DURING 2017-18 | BALANCE AT THE END OF REPORTING PERIOD 31.03.2018 | CHANGES IN EQUITY SHARE CAPITAL DURING 2017-18 | BALANCE AT THE END OF REPORTING PERIOD 31.03.2018 |
|--|--|---|--|---|
| 48,078,500                             | -  | 48,078,500  | -  | 48,078,500  |

B. OTHER EQUITY

| PARTICULARS   | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus |                            |                  | Debtore Redemption Reserve | Employee Stock Option Outstanding | Total       |
|---|---|--|----------------------|----------------------------|------------------|----------------------------|-----------------------------------|-------------|
|   |   |  | Capital Reserve      | Securities Premium Reserve | General Reserves |                            |                                   |             |
| Balance as at 06.06.2017                                    | -   | -  | -                    | -                          | -                | -                          | -                                 | (286,514)   |
| Total Comprehensive Income for the year                     | -   | -  | -                    | -                          | -                | -                          | -                                 | -           |
| Dividends   | -   | -  | -                    | -                          | -                | -                          | -                                 | -           |
| Tax on Dividends  | -   | -  | -                    | -                          | -                | -                          | -                                 | -           |
| Deferred Tax liability                                      | -   | -  | -                    | -                          | -                | -                          | -                                 | -           |
| Transfer from profit & loss                                 | -   | -  | -                    | -                          | -                | -                          | -                                 | (6,119,056) |
| Employee Stock Options (Net)                                | -   | -  | -                    | -                          | -                | -                          | -                                 | 451,371     |
| Balance as at 31/03/2018                                    | -   | -  | -                    | -                          | -                | -                          | -                                 | (5,954,199) |
| Add : Ind AS Adjustments                                    | -   | -  | -                    | -                          | -                | -                          | -                                 | -           |
| Total Comprehensive Income for the year                     | -   | -  | -                    | -                          | -                | -                          | -                                 | -           |
| Dividends   | -   | -  | -                    | -                          | -                | -                          | -                                 | -           |
| Tax on Dividends  | -   | -  | -                    | -                          | -                | -                          | -                                 | -           |
| Employee Stock Options (Net)                                | -   | -  | -                    | -                          | -                | -                          | -                                 | -           |
| Transfer from Debtore Redemption Reserve to General Reserve | -   | -  | -                    | -                          | -                | -                          | -                                 | -           |
| Bonus Issue   | -   | -  | -                    | -                          | -                | -                          | -                                 | -           |
| Balance as at 31.03.2018                                    | -   | -  | -                    | -                          | -                | -                          | -                                 | (5,954,199) |

In terms of our report of even date.

For Naresh J Patel & Co  
Chartered Accountants  
FRN : 123223W

*Naresh J. Patel*  
Chintan N Patel  
Partner  
Mem No 110741

Place : Ahmedabad  
Date : 30 April 2018

For Texas Lifescience Private Limited

*Rajiv Gandhi*  
Rajiv Gandhi  
Director  
Dim: 00438037

*Parag Bhavsar*  
Parag Bhavsar  
Director  
Dim: 00844097

Place : Ahmedabad  
Date : 30 April 2018



**Texas Lifescience Private Limited**  
Cash flow statement for the year ended 31st March, 2018

(In INR)

| Particulars  | Year ended<br>31st March, 2018    |
|--|-----------------------------------|
| <b>A. Cash flows from operating activities</b>                       |                                   |
| Net profit/ (loss) before tax  | 269,806                           |
| <b>Adjustments for:</b>  |                                   |
| Interest Expense   | 20,389                            |
| Interest Received  | (43,826)                          |
| Depreciation expense   | 882,730                           |
| <b>Operating profit before working capital changes</b>               | <b>1,129,099</b>                  |
| <b>Adjustments for changes in working capital :</b>                  |                                   |
| Increase in short-term provisions                                    | 382,718                           |
| Increase in trade payables   | 1,650,274                         |
| Increase in other current liabilities                                | 153,740                           |
| Increase in long term provisions                                     | -                                 |
| (Increase) / decrease in inventories                                 | (9,911)                           |
| (Increase) / decrease in trade receivables                           | (2,493,984)                       |
| (Increase) / decrease in other current assets                        | (782,622)                         |
| Decrease in long term loans and advances                             | -                                 |
| (Increase) / decrease in other non-current assets                    | 921,734                           |
| <b>Cash generated from/ (used in) operating activities</b>           | <b>951,048</b>                    |
| Income taxes paid (net)  | 200,000                           |
| <b>Net cash flow generated from / (used in) operating activities</b> | <b>751,048</b>                    |
| <b>B. Cash flows from investing activities</b>                       |                                   |
| Purchase of tangible assets  | (126,849)                         |
| Deposits matured during the year                                     | 607,920                           |
| Interest received  | 43,826                            |
| Dividends received   | -                                 |
| <b>Net cash used in investing activities</b>                         | <b>524,897</b>                    |
| <b>C. Cash flows from financing activities</b>                       |                                   |
| Repayment of short term borrowings                                   | (295,239)                         |
| Interest expenses paid   | (20,389)                          |
| <b>Net cash flow generated from / (used in) financing activities</b> | <b>(315,628)</b>                  |
| <b>Net increase in cash and cash equivalents</b>                     | <b>960,317</b>                    |
| Cash and cash equivalents as at the beginning of the year            | 65,809                            |
| <b>Cash and cash equivalents as at the end of the year</b>           | <b>1,026,126</b>                  |
| <b>i) Notes:</b>   |                                   |
| <b>Cash and cash equivalents as at the year end constitutes</b>      | <b>As at<br/>31st March, 2018</b> |
| Cash on hand   | 14,776                            |
| Cheques, drafts on hand  | -                                 |
| Balances with banks in current accounts                              | 1,011,350                         |
| <b>Total Cash and Cash Equivalents</b>                               | <b>1,026,126</b>                  |

ii) The cash flow statement has been prepared under indirect method as set out in Accounting Standard 3 "Cash Flow Statement" as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

In terms of our report of even date.

For Naresh J Patel & Co  
Chartered Accountants  
FRN : 123223W

*Chintan N. Patel*  
Chintan N Patel  
Partner  
Mem No 110741



Place : Ahmedabad  
Date : 30 April 2018



For Texas Lifescience Private Limited

*Rajiv Gandhi*  
Rajiv Gandhi  
Director  
Din: 00438037

*Parag Bhavsar*  
Parag Bhavsar  
Director  
Din: 00844097

Place : Ahmedabad  
Date : 30 April 2018

**Texas Lifescience Private Limited**  
**Significant Accounting Policies**

**Background of the Company**

Texas Lifesciences Pvt Ltd is incorporated 6th June, 2017. The company is engaged in the business of Manufacturing, formulates, process, develop all kinds of pharmaceuticals antibiotics, medicines & health care products for humans as well as vet purpose.

**1. Significant accounting policies**

**a. Basis of preparation of financial statements**

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The standalone financial statements have been prepared on a historical cost basis, on the accrual basis of accounting except for certain financial assets and liabilities measured at fair value.

These financial statements are the Company's first Ind AS standalone financial statements.

**b. Use of estimates**

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumption that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Difference between the actual results and the estimates are recognised in the periods in which the results are known/ materialised.

**c. Revenue recognition**

Revenue from the sale of product is recognized on transfer of significant risks and rewards of ownership of goods to the buyer. Sales are inclusive of excise duty and net off returns, rejections, trade discounts, rebates and sales tax.

**d. Property Plant & Equipment**

Tangible Fixed Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The Company depreciates its fixed assets on straight line method over the useful life in the accordance with Schedule II of the Companies Act 2013.

Depreciation on additions to assets or on sale / disposal of assets, is calculated pro rata from the date of such addition or up to the date of such sale / disposal, as the case may be.

**e. Inventories**

Inventories comprises all cost of purchase, conversion and other cost incurred in bringing the inventories to their present location and conditions.



#### **i. Impairment of assets**

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

Goodwill is tested for impairment annually as at year end and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU's) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

#### **j. Leases**

The determination of whether an arrangement is (or contains) a lease or not is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a Lessee -

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. The Company does not have any arrangement during or at the reporting period that can be classified as finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except in the case where incremental lease reflects inflationary effect in which case, lease expense is accounted by actual rent for the period.

As a Lessor -

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### **k. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, which includes all stock options granted to employees.

#### **l. Investments**

on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Investments in buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment properties. Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any.



**(ii) Financial Liabilities:**

**(a) Classification:**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss.

**(b) Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost (loans and borrowings, and payables), or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**(c) Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

**(d) Derecognition:**

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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.



## 1.1 Recent Accounting Pronouncement

### Standards Issued but not Effective:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch-up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The effect on adoption of Ind AS 115 is expected to be insignificant.

### Implementation of Ind AS

Ind AS are applicable to the company by virtue of being Subsidiary company of Hester Bioscience Ltd. which is covered under Phase - II of Ind AS implementation from 1st April 2017 as per the roadmap issued by MCA for Ind AS implementation on 16th Feb 2015.

It was earlier operating as Partnership Firm till 5th June, 2017 which was converted to Private Ltd company as on 6th June, 2017. So as per Ind AS - 101, there is no need to provide opening balancesheet and previous period restated Ind AS Financials.

More over selection of exemptions and exceptions are available to the company which is already existing and preparing their accounts as per any other GAAP, here form of operation is partnership firm before 5th June, 2017 and Hester Bioscience Ltd is also entered into venture from 1st April 2017. So disclosures as per Ind AS - 101 is also not required.



## Texas Lifescience Private Limited

Notes forming part of the financial statements for the year ended 31st March, 2018

### 2. Property, plant and equipment

| Particulars       | Gross block (at cost) |                                 |                              | Accumulated Depreciation  |                     |                    |                                 | Net block<br>As at 31st<br>March, 2018 |                              |
|-------------------|-----------------------|---------------------------------|------------------------------|---------------------------|---------------------|--------------------|---------------------------------|--|------------------------------|
|                   | As on<br>06/06/2017   | Additions<br>during the<br>year | Deletions<br>during the year | As at 31st<br>March, 2018 | As on<br>06/06/2017 | During the<br>year | Deletions<br>during the<br>year |  | As at 31st<br>March,<br>2018 |
| Building          | 14,286,312            | -                               | -                            | 14,286,312                | -                   | 342,312            | -                               | 342,312                                | 13,944,000                   |
| Computer          | 71,082                | 45,046                          | -                            | 116,128                   | -                   | 26,338             | -                               | 26,338                                 | 89,790                       |
| Plant & Machinery | 10,625,532            | 81,803                          | -                            | 10,707,335                | -                   | 514,080            | -                               | 514,080                                | 10,193,255                   |
| Land              | 22,882,500            | -                               | -                            | 22,882,500                | -                   | -                  | -                               | -                                      | 22,882,500                   |
| <b>Total</b>      | <b>47,865,426</b>     | <b>126,849</b>                  | <b>-</b>                     | <b>47,992,275</b>         | <b>-</b>            | <b>882,730</b>     | <b>-</b>                        | <b>882,730</b>                         | <b>47,109,545</b>            |

| Particulars                               | Gross Amount |     | Depreciation | Impairment losses | Reversals | Net Amount |     |
|---|--------------|-----|--------------|-------------------|-----------|------------|-----|
|   | Beginning    | End |              |                   |           | Beginning  | End |
| Carrying amount                           | -            | -   | -            | -                 | -         | -          | -   |
| Addition                                  | -            | -   | -            | -                 | -         | -          | -   |
| Disposal                                  | -            | -   | -            | -                 | -         | -          | -   |
| Acquisition through business combinations | -            | -   | -            | -                 | -         | -          | -   |





## Texas Lifescience Private Limited

Notes forming part of the financial statements for the year ended 31st March, 2018

### 3. Inventories

| Particulars  | In INR         |
|--|----------------|
| Raw materials (at cost)  | 860,331        |
| Work in progress (at cost)   | -              |
| Stock-in-trade (in respect of goods acquired for trading)              | -              |
| Stores and spares  | -              |
| Loose tools  | -              |
| Finished goods (at lower of cost and net realisable value)             | 14,580         |
| Others (specify)   | -              |
| <b>Total inventories at the lower of cost and net realisable value</b> | <b>874,911</b> |

### 4. Trade and other receivables (current)

| Receivables:               | Gross        | Bad debts reserve | Net                 |
|----------------------------|--------------|-------------------|---------------------|
| Secured, considered good   |              |                   | -                   |
| Unsecured, considered good | 2,975,317.00 | -                 | 2,975,317.00        |
| Doubtful                   | -            | -                 | -                   |
|                            |              |                   | <b>2,975,317.00</b> |

### 5. Cash and cash equivalents

| Particulars             | In INR           |
|-------------------------|------------------|
| Balances with banks:    | 1,011,350        |
| Cheques/ drafts on hand | -                |
| Cash on hand            | 14,776           |
| Others                  | -                |
|                         |                  |
|                         | <b>1,026,123</b> |

### 6. Other Current Assets (specify nature)

| Particulars   | In INR           |
|---|------------------|
| <b>Advances other than capital advances</b>             |                  |
| Security Deposits                                       | -                |
| Advances to related parties<br>(giving details thereof) | -                |
| Other advances (specify nature)                         | 1,499,866        |
|   |                  |
| <b>Other current advances (specify nature)</b>          | <b>-</b>         |
|   | <b>1,499,866</b> |



## 7. Share capital

### Authorised share

| Particulars                            | No.              | In INR            |
|--|------------------|-------------------|
| At Beginning of the period             |                  |                   |
| Increase/(decrease) during the quarter | 4,807,850        | 48,078,500        |
| <b>At End of the period</b>            | <b>4,807,850</b> | <b>48,078,500</b> |

### Issued equity Capital

| Equity shares of In INR _ each issued and fully paid / Not fully paid | No.              | In INR            |
|---|------------------|-------------------|
| At Beginning of the period  | -                |                   |
| Add : Issued during the period :                                      | 4,807,850        | 48,078,500        |
| <b>At End of the period</b>   | <b>4,807,850</b> | <b>48,078,500</b> |

### Details of shareholders holding more than 5% shares in the company

| Name of the shareholder | As at End of period |                        |
|-------------------------|---------------------|------------------------|
|                         | No.                 | % holding in the class |
| Hester Biosciences Ltd. | 2,634,702           | 54.80%                 |
| Kamleshkumar P.Patel    | 1,298,119           | 27.00%                 |
| Paragbhai Bhavsar       | 865,413             | 18.00%                 |

## 8. Deferred tax liability (Net)

| Particulars  | In INR           |
|--|------------------|
| Deferred tax liabilities                           |                  |
| On timing difference between book depreciation and | 5,928,708        |
|  | 5,928,708        |
| Deferred tax assets                                |                  |
| Preincorporation expenses                          | (201,218)        |
|  | (201,218)        |
| <b>Net Deferred tax liabilities</b>                | <b>5,727,490</b> |





9. Borrowings (Current)

| Particulars   | In INR    |           |
|---|-----------|-----------|
|   | Unsecured | TOTAL     |
| <b>Non-current interest-bearing loans and borrowings</b>  |           |           |
| (A) Term loans (Secured)                                  | -         | -         |
| (B) Bonds and Debentures                                  | -         | -         |
| (C) Deferred payment liabilities                          | -         | -         |
| (D) Deposits  | -         | -         |
| (E) Loans from related parties                            | -         | -         |
| (F) Long term maturities of finance lease obligations     | -         | -         |
| (G) Liability component of compound financial instruments | -         | -         |
| (H) Other loans (specify nature);                         | -         | -         |
|   |           |           |
| <b>Current interest-bearing loans and borrowings</b>      |           |           |
| (A) Loans repayable on demand                             | -         | -         |
| (B) Loans from related parties                            | 2,648,513 | 2,648,513 |
| (C) Deposits  | -         | -         |
| (D) Other loans (specify nature);                         | -         | -         |
|   |           | 2,648,513 |

10. Trade Payables (Current)

| Particulars    | Current   |
|----------------|-----------|
|                | In INR    |
| Trade payables | 1,707,774 |
|                |           |
|                | 1,707,774 |

11. Other Financial liabilities (Current)

| Particulars   | Current period |
|---|----------------|
|   | In INR         |
| (a) Current maturities of long-term debt;   | -              |
| (b) Current maturities of finance lease obligations;  | -              |
| (c) Interest accrued;   | -              |
| (d) Unpaid dividends;   | -              |
| (e) Application money received for allotment of securities to the extent refundable and interest accrued thereon; | -              |
| (f) Unpaid matured deposits and interest accrued thereon;   | -              |
| (g) Unpaid matured debentures and interest accrued thereon; and   | -              |
| (h) Others (specify nature).  | -              |
| Security deposite   | 150,000        |
| Unpaid Salary   | 230,419        |
|   |                |
|   | 380,419        |





## 12. Other Current liabilities

| Particulars                         | In INR         |
|-------------------------------------|----------------|
| (a) revenue received in advance     | -              |
| (b) other advances (specify nature) |                |
| Advances form customers             | 117,036        |
| (c) others (specify nature)         |                |
| Statutory dues                      | 704,229        |
|                                     | <b>821,265</b> |

## 13. Provisions (Current)

| Particulars                            | Current       |
|--|---------------|
|  | In INR        |
| Provision for Employee benefit expense |               |
| Other provisions (specify name)        |               |
| 1. Provision for expenses              | 66,000        |
|  | <b>66,000</b> |

## 14. Revenue from operations

| Particulars                              | In INR            |
|--|-------------------|
| Sale of products (including excise duty) | 12,409,844        |
| Sale of services                         | 2,283,221         |
| Other operating revenues                 |                   |
|  | <b>14,693,065</b> |

## 15. Other income

| Particulars   | In INR        |
|---|---------------|
| Interest income   | 43,826        |
| Dividend income   |               |
| Other non-operating income (net of expenses directly attributable to such income) | 329           |
| <b>Total</b>  | <b>44,155</b> |

## 16. Cost of materials consumed

| Particulars                                      | In INR           |
|--|------------------|
| Opening stock                                    | 865,000          |
| Purchases [including outside processing charges] | 8,941,451        |
| Closing Stock                                    | 874,911          |
|  | <b>8,931,540</b> |



Texas Lifescience Private Limited  
Notes forming part of the financial statements for the year ended 31st March,

**17 Employee benefit expenses**

| Particulars        | In INR           |
|--------------------|------------------|
| Salaries and bonus |                  |
| Directors salary   | 1,125,000        |
| Staff salary       | 1,569,344        |
| Bonus expenses     | 119,996          |
| Leave Salary       | 51,696           |
| ESIC               | 42,732           |
|                    | <b>2,908,768</b> |

**18 Finance costs**

| Particulars        | In INR        |
|--------------------|---------------|
| Interest expenses  | 20,389        |
| Bank interest      | -             |
| Processing charges | -             |
|                    | <b>20,389</b> |

**19 Depreciation expense**

| Particulars                     | In INR         |
|---------------------------------|----------------|
| Depreciation on tangible assets | 882,730        |
|                                 | <b>882,730</b> |



**Texas Lifescience Private Limited**  
**Notes forming part of the financial statements for the year ended 31st March, 2018**

**20 Other expenses**

| Particulars                                | In INR           |
|--|------------------|
| <b>General and administration expenses</b> |                  |
| Audit Fees                                 | 50,000           |
| Bank charges                               | 959              |
| Communication expenses                     | 20,933           |
| Company registration expenses              | 976,785          |
| Electrici expenses                         | 142,292          |
| Fuel expenses                              | 29,566           |
| Insurance                                  | 32,815           |
| Labour testing expenses                    | 155,835          |
| Legal and professional charges             | 25,880           |
| Licence & permit fees                      | 11,700           |
| Miscellaneous expenses                     | 26,369           |
| Office expenses                            | 67,245           |
| Repairs and maintenance                    | 46,289           |
| Stationery expenes                         | 17,996           |
| Transport expenses                         | 87,534           |
| Travelling Expenses                        | 31,789           |
|  | <b>1,723,987</b> |

**Note: Payment to Auditors**

| As Auditor:               | In INR        |
|---------------------------|---------------|
| Audit Fees                | 50,000        |
| Reimbursement of expenses | 3,540         |
|                           | <b>53,540</b> |

**21 Earnings per equity share**

| Particular   | Year ended<br>31st March, 2018 |
|--|--------------------------------|
| Net earning/ (loss) after tax attributable to equity shareholders<br>(in Rupees) | 451,371                        |
| Weighted average number of equity shares outstanding during<br>the year (in nos) | 2,739,816                      |
| <b>Earning / (loss) per share :</b>  |                                |
| Basic and diluted (in Rupees)  | 0.16                           |
| Nominal value of Share (in Rupee)  | 10.00                          |



Texas Lifescience Private Limited  
Notes forming part of the financial statements for the year ended 31st March, 2018

22 Related party disclosure

In accordance with the disclosure requirements of Accounting Standard 18 "Related Party Disclosures" as specified under section 133 of the Act, read with Rule

**a Name of Related parties**

Description of relationship

1. Holding company :  
Names of related parties  
Hester Biosciences Limited
2. Key Managerial person :  
1. Nina Rajiv Gandhi  
2. Rajiv Dinesh Gandhi  
3. Darayus Noshir Lakdawalla  
4. Parag Gunvantlal Bhavsar  
5. Kamleshkumar Popattal Patel

**b Disclosure of transaction between the company and related parties**

| Sr. No. | Name                       | Nature of transaction     | (Amount in Rupees) |                               |
|---------|----------------------------|---------------------------|--------------------|-------------------------------|
|         |                            |                           | Relationship       | Year ended 31st March, 2018   |
| 1       | Hester Biosciences Limited | Purchases of goods        |                    | 5,279,040                     |
|         |                            | Sales of goods / services |                    | 735,113                       |
|         |                            | Reimbursement of Expenses | Holding Company    |                               |
|         |                            |                           |                    | <b>As at 31st March' 2018</b> |
|         |                            |                           |                    | 1,236,437                     |
|         |                            |                           |                    | <u>1,236,437</u>              |

**c Outstanding balances as at the year end**

**Outstanding Payables**

- 1 Hester Biosciences Limited

In terms of our report of even date.

For Naresh J Patel & Co  
Chartered Accountants  
FRN : 123223W

*Chintan N. Patel*

**Chintan N Patel**  
Partner  
Mem No 110741

Place : Ahmedabad  
Date : 30 April 2018



For Texas Lifescience Private Limited

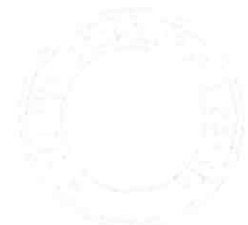
*Parag Bhavsar*

**Rajiv Gandhi**  
Director  
Din: 00438037

**Parag Bhavsar**  
Director  
Din: 00844097

Place : Ahmedabad  
Date : 30 April 2018





Notes to the Standalone Financial Statements

Note 23 : Income taxes

1 Components of Income tax expense

The major component of Income tax expense for the year ended on March 31, 2018 IS as follows:

| Particulars   | For the Year ended March 31, 2018 |
|---|-----------------------------------|
| <b>Statement of Profit and Loss</b>                               |                                   |
| <b>Current tax</b>  |                                   |
| Current income tax  | 210,000.00                        |
| <b>Deferred tax</b>   |                                   |
| Deferred tax expense  | (391,565.00)                      |
| <b>Income tax expense as per the statement of profit and loss</b> | <u><u>(181,565.00)</u></u>        |

2 Reconciliation of effective tax

| Particulars   | For the Year ended March 31, 2018 |
|---|-----------------------------------|
| Profit before tax from continuing and discontinued operations | 269,806.00                        |
| Tax @ 25.75%  | 69,475.05                         |
| <i>Adjustments for:</i>                                       |                                   |
| Expenses on which deferred tax is not considered              | (250,040.04)                      |
| <b>Tax expense / (benefit)</b>                                | <u><u>(180,565.00)</u></u>        |

3 Movement in deferred tax assets and liabilities

For the year ended on March 31, 2018

| Particulars                               | As at April 1, 2017       | Credit/(charge) in the Statement of Profit and Loss | As at March 31, 2018      |
|---|---------------------------|---|---------------------------|
| <b>Deferred tax assets/(liabilities)</b>  |                           |   |                           |
| Accelerated depreciation for tax purposes | (6,433,103)               | (504,395)   | (5,928,708)               |
| Pre incorporation Expenses                | 314,048                   | 112,830.00  | 201,218                   |
|   | <u><u>(6,119,055)</u></u> | <u><u>(391,565)</u></u>                             | <u><u>(5,727,490)</u></u> |

4 Current / Non-current tax assets and liabilities

| Particulars             | As at March 31, 2018 |
|-------------------------|----------------------|
| <b>Non-current</b>      |                      |
| Tax assets              | -                    |
| <b>Current</b>          |                      |
| Current tax liabilities | 10,000.00            |





**Note 24 : Employee benefits**

**A. Defined contribution plans:**

The company does not made any payment towards defined contribution plan during the year.  
Currently company does not fall in to the criteria prescribed under Employees Prvidend Fund Act ,1952

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**B. Defined benefit plans:**

**(a) Gratuity**

The company does not made any payment towards defined benefit plan during the year.  
Currently company does not fall in to the criteria prescribed under Payment of Gratuity Act, 1972

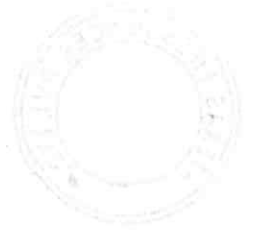
**C. Other Long term employee benefit plans**

The company does not have any Long term employee benefit plans

**Note 25 : Segment information**

In line with Ind As - 108 operating segments and basis of the review of operations being done by the senior Management, the operations of the group fall under Pharmaceuticals which is considered to be the only reportable segment by the management.



**Note 26 : Financial assets and liabilities****Financial assets by category**

| Particulars   | As at March 31, 2018 |       |        |                     |
|---|----------------------|-------|--------|---------------------|
|   | Cost                 | FVTPL | FVTOCI | Amortised cost      |
| Trade receivables                                       | -                    | -     | -      | 2,975,317.00        |
| Cash & cash equivalents (including other bank balances) | -                    | -     | -      | 1,026,123.00        |
| <b>Total Financial assets</b>                           | -                    | -     | -      | <b>4,001,440.00</b> |

**Financial liabilities by category**

| Particulars                        | As at March 31, 2018 |       |        |                     |
|------------------------------------|----------------------|-------|--------|---------------------|
|                                    | Cost                 | FVTPL | FVTOCI | Amortised cost      |
| Borrowings                         | -                    | -     | -      | 2,648,514.00        |
| Trade payables                     | -                    | -     | -      | 1,707,774.00        |
| Other financial liabilities        |                      |       |        |                     |
| - Unpaid Salary                    | -                    | -     | -      | 150,000.00          |
| - Other financial liabilities      | -                    | -     | -      | 230,419.00          |
| <b>Total Financial liabilities</b> | -                    | -     | -      | <b>4,736,707.00</b> |



**Note 27 : Financial risk management**

The Company's principal financial liabilities comprise of loans and borrowings, trade payables and other financial liabilities. The loans and borrowings are primarily taken to finance and support the Company's operations. The Company's principal financial assets include cash and cash equivalents and Trade receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**1. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk or Net asset value("NAV") risk in case of investment in mutual funds. Financial instruments affected by market risk include investments, trade receivables, trade payables, loans and borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2018.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

*Interest rate sensitivity*

There are no borrowings availed on Fluctuating interest rates hence there is no interest sensitivity arises for the year end.

**Foreign currency risk**

There are no receivable and payable in foreign currency at the end of year.

*Foreign currency sensitivity*

There are no receivable and payable in foreign currency hence no foreign currency sensitivity arises.

**Other market risks**

When Company have investments in various mutual funds, debentures, equity shares and bonds, at that time company have susceptible risk to market price risk arising from the uncertainty about future values / future NAV values of such mutual funds, debentures, bonds, equity shares and preference shares. The Company does not have any investment in mutual funds, debentures, preference shares, equity shares and bonds.

**2. 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 Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.

*Trade receivables*

Customer credit risk is managed by the Company's internal policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an credit rating scorecard and credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. As at March 31, 2018, there were 2 customers with balances greater than Rs. 10 Lakhs accounting for more than 84 % of the total amounts receivables. The company has not created Loss allowances for expected credit losses.

The Company evaluates the concentration of risk with respect to trade receivables as low as all the trad receivables are good and there is no risk involved.

Trade receivables are non-interest bearing and are generally on 30 days to 45 days credit term. Credit limits are established for all customers based on internal rating criteria. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

**3. Liquidity Risk**

The Company monitors its risk of shortage of funds through using a liquidity planning process that encompasses an analysis of projected cash inflow and outflow.

The Company's objective is to maintain a balance between continuity of funding and flexibility largely through cashflow generation from its operating activities and the use of bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's financial liabilities (including future interest payable) based on contractual undiscounted payments:

| Particulars                 | On demand    | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total        |
|-----------------------------|--------------|--------------------|----------------|--------------|-----------|--------------|
| <b>As at year ended</b>     |              |                    |                |              |           |              |
| <b>March 31, 2018</b>       |              |                    |                |              |           |              |
| Borrowings                  | 2,648,514.00 | -                  | -              | -            | -         | 2,648,514.00 |
| Trade & other payables      | 1,707,774.00 | -                  | -              | -            | -         | 1,707,774.00 |
| Other financial liabilities | 380,419.00   | -                  | -              | -            | -         | 380,419.00   |



**Note 28 : Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes, within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

| Particulars  | As at March 31, 2018 |
|--|----------------------|
| Interest-bearing loans and borrowings                  | -                    |
| Trade payables   | 1,707,774            |
| Less: cash and cash equivalent and other bank balances | 1,026,123            |
| <b>Net debt</b>  | <b>681,651</b>       |
| Equity share capital                                   | 48,078,500           |
| Other equity   | -5,954,199           |
| <b>Total capital</b>                                   | <b>48,078,500</b>    |
| <b>Capital and net debt</b>                            | <b>48,760,151</b>    |
| <b>Gearing ratio (%)</b>                               | <b>1.40%</b>         |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the whole year.

In terms of our report of even date.

For Naresh J Patel & Co  
Chartered Accountants  
FRN : 123223W

*Chintan N. Patel*

**Chintan N Patel**  
Partner  
Mem No 110741

Place : Ahmedabad  
Date : 30 April 2018

For Texas Lifescience Private Limited

*Rajiv Gandhi*

**Rajiv Gandhi**  
Director  
Din: 00438037

Place : Ahmedabad  
Date : 30 April 2018

*Parag Bhavsar*

**Parag Bhavsar**  
Director  
Din: 00844097

