

**Kinedex Healthcare Private Limited**  
**Balance Sheet as at 31st March, 2018**

(₹ in millions)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>I. Assets</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, Plant and Equipment	2	6.36	10.68	10.27
(b) Income tax assets (net)	3(d)	4.38	0.03	0.33
(c) Deferred Tax assets (net)	3(f)	37.90	25.07	9.69
<b>Total Non current Assets</b>		<b>48.64</b>	<b>35.78</b>	<b>20.29</b>
<b>(2) Current Assets</b>				
(a) inventories	4	44.42	54.91	19.56
(b) Financial Assets				
Trade Receivables	5	45.34	61.85	104.61
Cash and Cash Equivalents	6(a)	6.40	0.89	15.96
Other bank balances	6(b)	0.24	0.23	-
Loans	7	0.79	1.78	-
Other Financial Assets	8	5.74	3.84	5.03
(c) Other Current Assets	9	30.05	3.04	3.58
<b>Total current Assets</b>		<b>132.98</b>	<b>126.54</b>	<b>148.74</b>
<b>Total</b>		<b>181.62</b>	<b>162.32</b>	<b>169.03</b>
<b>II. Equity And Liabilities</b>				
<b>(1) Equity</b>				
(a) Share Capital	10	1.83	1.83	1.83
(b) Other Equity	11	(21.97)	(59.24)	80.57
<b>Total Equity</b>		<b>(20.14)</b>	<b>(57.41)</b>	<b>82.40</b>
<b>(2) Non-Current Liabilities</b>				
(a) Financial Liabilities				
Borrowings	12	3.29	4.94	4.13
Other Financial Liabilities	13	4.85	8.10	3.85
(b) Long term Provisions	14	18.09	23.95	-
(c) Other Non-Current Liabilities	15	-	0.01	-
<b>Total Non-Current liabilities</b>		<b>26.23</b>	<b>37.00</b>	<b>7.98</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
Borrowings	12	92.56	84.25	18.39
Trade Payables	16	66.22	86.48	54.16
Other Financial Liabilities	13	1.59	1.54	1.18
(b) Short-term Provisions	14	6.51	4.32	-
(c) Other Current Liabilities	15	8.65	6.14	4.92
<b>Total Current liabilities</b>		<b>175.53</b>	<b>182.73</b>	<b>78.65</b>
<b>Total Liabilities</b>		<b>201.76</b>	<b>219.73</b>	<b>86.63</b>
<b>Total</b>		<b>181.62</b>	<b>162.32</b>	<b>169.03</b>

For Gupta Mittal & Associates

Chartered Accountants

Firm Reg No : 013906C

Mukesh Kumar Gupta

Partner

Membership No. : 079027

Place: Ahmedabad

Date: May 18, 2018



For and on behalf of the Board of Directors

*(Signature)*  
Rajesh Dhuria

Rajesh Dhuria

Director

DIN: 00456596

Place : Ahmedabad

Date : May 18, 2018

*(Signature)*  
Rajesh Dhuria

Rajesh Dhuria

Director

DIN: 02814751

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

(₹ in millions)

Particulars	Note No.	For the Year ended	For the Year ended
		March 31, 2018	March 31, 2017
<b>REVENUE:</b>			
(a) Revenue from operations	17	515.80	507.65
(b) Other Income	18	0.75	1.06
<b>Total Revenue (I)</b>		<b>516.55</b>	<b>508.71</b>
<b>EXPENSES:</b>			
(a) Purchases of stock-in-trade		149.70	244.73
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	10.49	(35.35)
(c) Employee benefits expense	20	139.98	188.82
(d) Other expenses	21	176.15	255.89
<b>Total (II)</b>		<b>476.32</b>	<b>654.09</b>
<b>Profit before interest, tax, depreciation and amortisation (I - II)</b>		<b>40.23</b>	<b>(145.38)</b>
Finance costs	22	9.96	5.60
Depreciation and amortisation expense	2	4.38	4.22
<b>Profit before tax</b>		<b>25.89</b>	<b>(155.20)</b>
Tax expenses :	3		
(a) Current tax expense		3.72	-
(b) Deferred tax		(13.43)	(15.38)
<b>Net tax expense</b>		<b>(9.71)</b>	<b>(15.38)</b>
<b>Profit for the year</b>		<b>35.60</b>	<b>(139.82)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		2.27	-
Income tax relating to items that will not be reclassified to profit or loss		(0.59)	-
Re-measurement gains / (losses) on defined benefit plans		1.68	-
<b>Total Comprehensive Income for the year</b>		<b>37.28</b>	<b>(139.82)</b>
<b>Earnings per equity share of Rs. 10 each</b>			
Basic and Diluted (Rs.)		195.06	(766.13)

See accompanying notes forming part of the financial statements

In terms of our report attached

For Gupta Mittal & Associates

Chartered Accountants

Firm Reg No : 013906C

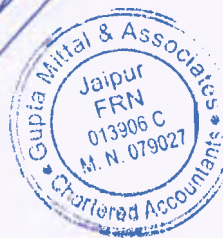
Mukesh Kumar Gupta

Partner

Membership No. : 079027

Place: Ahmedabad

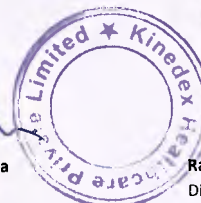
Date: May 18, 2018



For and on behalf of the Board of Directors

Rajesh Dhuria  
 Director  
 DIN: 00456596

Rakesh Dhuria  
 Director  
 DIN: 02814751



Place: Ahmedabad

Date: May 18, 2018

## Kinedex Healthcare Private Limited

### Statement of Changes in Equity for the year ended 31st March 2018

#### A. Equity Share Capital

(₹ in millions)

Particulars (refer note-10)	Amount
As at April 01, 2016	1.83
Changes in Equity Share Capital	-
As at 31st March 2017	1.83
Change in Equity Share Capital	-
As at 31st March 2018	1.83

#### B. Other Equity

(₹ in millions)

Particulars (refer note-11)	Retained Earnings	General Reserve	Securities Premium	Total Other Equity
As at April 01, 2016	(26.17)	0.17	106.57	80.57
Add: Profit for the period	(139.82)	-	-	(139.82)
As at 31st March 2017	(165.98)	0.17	106.57	(59.24)
Add: Profit for the year	35.60	-	-	35.60
Add: Other comprehensive Income for the year	1.68	-	-	1.68
As at 31st March 2018	(128.70)	0.17	106.57	(21.97)

In terms of our report attached

For Gupta Mittal & Associates

Chartered Accountants

Firm Reg No : 013906C

For and on behalf of the Board of Directors

Mukesh Gupta

Partner

Membership No. : 079027



Rajesh

Rajesh Dhuria

Director

DIN: 00456596



Rakesh

Rakesh Dhuria

Director

DIN: 02814751

Place: Ahmedabad

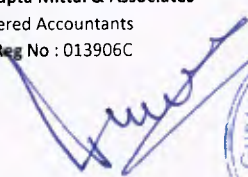

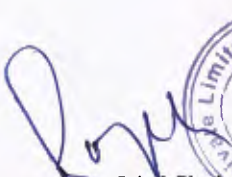

Date : May 18, 2018

Place : Ahmedabad

Date : May 18, 2018

**Kinedex Healthcare Private Limited**  
**Cash Flow Statement for the year ended 31st March, 2018**

( ₹ in millions)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) before tax	25.89	(155.20)
Adjustments for :		
Depreciation and amortisation expense	4.38	4.22
Finance costs	9.96	5.60
Interest income	(0.61)	(0.05)
Net gain on sale of investments	-	(0.21)
Loss on fixed assets sold/written off	-	0.33
<b>Operating profit before working capital changes</b>	<b>39.62</b>	<b>(145.31)</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	16.51	42.76
Inventories	10.49	(35.35)
Other assets	(27.39)	(0.57)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable, liabilities & provisions	(22.42)	66.45
<b>Cash generated from operations</b>	<b>16.81</b>	<b>(72.02)</b>
Net income tax paid	(8.07)	(0.30)
<b>Net cash flow from operating activities (A)</b>	<b>8.74</b>	<b>(72.32)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed assets	(0.07)	(4.63)
Bank balances not considered as cash and cash equivalents-Placed	0.01	0.23
Interest income	0.08	0.05
<b>Net cash used in investing activities (B)</b>	<b>0.02</b>	<b>(4.35)</b>
<b>C. Cash flow from financing activities</b>		
(Repayment)/Proceeds of/from borrowings	6.71	66.67
Finance costs	(9.96)	(5.07)
<b>Net cash flow from / (used in) financing activities ( C )</b>	<b>(3.25)</b>	<b>61.60</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>5.51</b>	<b>(15.07)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>0.89</b>	<b>15.96</b>
<b>Cash and cash equivalents at end of the year (Refer note-6 (a) )</b>	<b>6.40</b>	<b>0.89</b>
<b>Footnotes:</b>		
Cash and Cash Equivalents:		
Cash on hand	0.15	0.18
Balance with banks in current account	6.25	0.71
<b>Cash and Cash Equivalents as per Cash flow statement (Refer note- 6(a))</b>	<b>6.40</b>	<b>0.89</b>
In terms of our report attached		
<b>For Gupta Mittal &amp; Associates</b>		<b>For and on behalf of the Board of Directors</b>
Chartered Accountants		
Firm Reg No : 013906C		
		
<b>Mukesh Kumar Gupta</b>		
Partner		<b>Rajesh Dhuria</b>
Membership No. : 079027		<b>Rakesh Dhuria</b>
		Director
		Director
		DIN: 00456596
		DIN: 02814751
<b>Place: Ahmedabad</b>		<b>Place : Ahmedabad</b>
<b>Date: May 18, 2018</b>		<b>Date : May 18, 2018</b>

**Corporate Information:**

Kinedex Healthcare Private Limited ("the company") is a private limited company and was incorporated and domiciled in India having its registered office at 28, Shiv Shakti Nagar, near Indo-Bharat School, Nirman Nagar, Jaipur, India. The company is engaged in trading and marketing of pharmaceutical products.

**Note 1: Significant accounting policies**

**1.1 Basis of preparation :**

**(A) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These are the Company's first Ind AS financial statements. Refer Note 23 for the details of first-time adoption exemptions availed by the Company.

**(B) Historical Cost Convention**

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Defined benefit plan – plan assets measured at fair value
- Certain financial assets and liabilities measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**(C) Current and Non-current classification**

The assets and liabilities reported in the balance sheet are classified on a "current/noncurrent basis", with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

**1.2 Use of estimates:**

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

**1.3 Revenue recognition:**

- Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of discounts, applicable taxes and returns. The company recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities, as described below.
- Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.
- Other income:
  - Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.
  - Other income is recognised when no significant uncertainty as to its determination or realisation exists.



#### 1.4 Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition of Property, Plant and Equipment till assets are put to use, are capitalized. Subsequent expenditure on Property, Plant and Equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in statement of profit and loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

Depreciation on Property, Plant and Equipment (other than 'Freehold Land' where no depreciation is provided), is provided on the "Written Down Value Method" (WDV) based on the useful lives as prescribed under Schedule II of the Companies Act, 2013. Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets were put to use.

#### 1.5 Financial Instruments

##### Financial assets

###### Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

###### Subsequent measurement

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

###### De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

##### Financial liabilities

###### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

###### Subsequent measurement

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

###### De-recognition of financial liabilities

A financial liability is de-recognised 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 de-recognition 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 or loss.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 1.6 Impairment of assets:

##### Financial Asset

A financials Asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.



**Non-Financial Asset**

The carrying amount of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. An impairment loss is recognised, as an expense in the statement of profit and loss, for the amount by which the asset carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there is any change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

**1.7 Inventories:**

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

**1.8 Cash and cash equivalents:**

Cash and cash equivalents comprises cash on hand and at banks, short-term deposits (with an original maturity of three months or less from the date of acquisition), and which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding book overdrafts, if any, as they are considered an integral part of the company's cash management.

**1.9 Borrowings:**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

**1.10 Earnings Per Share:**

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is the same as basic earnings per share as the company does not have any dilutive potential equity shares outstanding. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

**1.11 Employee Benefits:**

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

(B) **Defined benefit obligations plan:**

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

(C) **Short-term employee benefits**

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**1.12 Taxes on Income:**

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

**1.13 Provisions, Contingent Liabilities and Contingent Assets:**

**Provisions**

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

**Contingent liability**

It is disclosed for :

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

**Contingent Assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

**1.14 Leases:**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Operating lease payments are recognized as an expense on a straight line basis over the lease term unless the payments are structured to increase in line with the expected general inflation so as to compensate for the lessor's expected inflationary cost increases.

**1.15 Foreign currency transactions and translation:**

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





## KINEDEX HEALTHCARE PRIVATE LIMITED

Notes on financial statement for the year ended March 31, 2018

## Note 2: Property, Plant and Equipment

(₹ in millions)

Particulars	Building	Vehicles	Equipment	Furnitures and Fixtures	Total
<b>Gross carrying amount:</b>					
As at April 01, 2016	0.26	6.56	3.24	0.21	10.27
Additions During the Year	-	3.36	1.59	-	4.95
Deductions during the year			0.33		0.33
As at March 31, 2017	0.26	9.92	4.50	0.21	14.89
Additions During the Year	-	-	0.07	-	0.07
As at March 31, 2018	0.26	9.92	4.57	0.21	14.96
<b>Accumulated depreciation:</b>					
As at April 01, 2016	-	-	-	-	-
Depreciation for the Year	0.03	2.44	1.70	0.05	4.22
As at March 31, 2017	0.03	2.44	1.70	0.05	4.22
Depreciation for the Year	0.03	2.93	1.37	0.05	4.38
As at March 31, 2018	0.06	5.37	3.07	0.10	8.60
<b>Net carrying amount</b>					
As at April 01, 2016	0.26	6.56	3.24	0.21	10.27
As at March 31, 2017	0.24	7.48	2.80	0.16	10.68
As at March 31, 2018	0.20	4.55	1.50	0.11	6.36



Note 3 : Income Taxes

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(a) Expense / (benefit) recognised in the statement of profit and loss:</b>		
Current tax:		
Expense for current year	3.72	-
Deferred tax:		
Deferred tax (benefit) / expense for current year	(13.43)	(15.38)
	(9.71)	(15.38)
<b>(b) Expense / (benefit) recognised in statement of other comprehensive income</b>		
Re-measurement gains / (losses) on defined benefit plans	(0.59)	-
	(0.59)	-
<b>(c) Reconciliation of Effective Tax Rate :</b>		
Profit before income taxes	25.89	(155.20)
Expected income tax expenses	6.73	(47.96)
<b>Adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Expense disallowed (net)	1.37	4.30
Deferred tax on previous year losses created	(20.51)	20.87
Others (net)	2.10	7.42
Adjusted income tax expense	(10.30)	(15.38)

(d) Income Tax Assets :

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening Balance	0.03	0.33	0.33
Add: Tax paid in advance, net of provisions during the year	4.35	(0.30)	-
<b>Closing Balance</b>	<b>4.38</b>	<b>0.03</b>	<b>0.33</b>

(e) Income Tax Liabilities :

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening Balance	-	-	-
Add: Current tax payable for the year	3.72	-	-
Less: Tax paid	3.72	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>(f) Deferred tax relates to :</b>			
<b>Deferred tax assets</b>			
Depreciation and amortisation	1.72	1.36	1.01
Minimum Alternate Tax credit entitlement	3.72	-	-
Employee Benefit	2.50	2.69	-
Carry forward tax losses and accumulated depreciation	29.96	20.87	8.68
Other	-	0.16	-
<b>Total</b>	<b>37.90</b>	<b>25.07</b>	<b>9.69</b>



**KINEDEX HEALTHCARE PRIVATE LIMITED**

Notes on financial statement for the year ended March 31, 2018

**Note 3 : Income Taxes**

( ₹ in millions)

Particulars	Depreciation and amortisation	Minimum Alternate Tax credit entitlement	Employee benefits	Other	Carry forward tax losses and accumulated depreciation	Total
<b>(b) Movement in Deferred tax Assets/(Liabilities) relates to :</b>						
<b>At 1st April, 2016</b>	1.01	-	-	-	8.68	9.69
Charged/(Credited)	(0.35)	-	(2.69)	(0.16)	(12.18)	(15.38)
- To Profit or Loss	-	-	-	-	-	-
- To other comprehensive Income	-	-	-	-	-	-
<b>At 31st March, 2017</b>	1.36	-	2.69	0.16	20.87	25.07
Charged/(Credited)	(0.36)	(3.72)	(0.40)	0.16	(9.09)	(13.43)
- To Profit or Loss	-	-	0.59	-	-	0.59
- To other comprehensive Income	-	-	-	-	-	-
<b>At 31st March, 2018</b>	1.72	3.72	2.50	-	29.96	37.90



**KINEDEX HEALTHCARE PRIVATE LIMITED**
**Notes on financial statement for the year ended March 31, 2018**
**Note 4: Inventories**
*(At lower of cost and net realisable value)*
*(₹ in millions)*

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 01, 2016
Stock-in-trade (includes goods in transit of Rs.0.89 million (31-03-2017- Rs. 1.66 million), (01-04-2016- Rs. Nil))	44.42	54.91	19.56
<b>Total</b>	<b>44.42</b>	<b>54.91</b>	<b>19.56</b>

**Note 5: Trade receivables**
*(₹ in millions)*

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 01, 2016
<b>Unsecured</b>			
Considered good	45.34	61.85	104.61
Considered doubtful	-	-	-
<b>Total</b>	<b>45.34</b>	<b>61.85</b>	<b>104.61</b>

**Note 6(a): Cash and cash equivalents**
*(₹ in millions)*

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 01, 2016
Cash on hand	0.15	0.18	0.47
Balances with banks in current accounts	6.25	0.71	15.49
	<b>6.40</b>	<b>0.89</b>	<b>15.96</b>

**Note 6(b): Other bank balances**
*(₹ in millions)*

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 01, 2016
In fixed deposit accounts to extent held as security deposit	0.24	0.23	-
<b>Total</b>	<b>0.24</b>	<b>0.23</b>	<b>-</b>

**Note 7: Loans**
*(₹ in millions)*

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 01, 2016
<b>Unsecured, considered good</b>			
<b>Current</b>			
Loans and advances to employees	0.79	1.78	-
<b>Total</b>	<b>0.79</b>	<b>1.78</b>	<b>-</b>

**Note 8: Other Financial Assets**
*(₹ in millions)*

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 01, 2016
<b>Current</b>			
Security deposits	4.17	3.75	1.98
Other Receivables	1.57	0.09	3.05
<b>Total</b>	<b>5.74</b>	<b>3.84</b>	<b>5.03</b>



Note 9: Other Current Assets

(₹ in millions)

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 01, 2016
Prepaid expenses	0.73	1.02	1.07
GST Receivable	26.08	-	-
Advance to suppliers	2.46	2.02	2.51
Advances to employees	0.78	-	-
<b>Total</b>	<b>30.05</b>	<b>3.04</b>	<b>3.58</b>

Note 10: Share capital

(₹ in millions)

Particulars	As at	As as	As at
	Mar 31, 2018	31st March, 2017	April 01, 2016
<b>Authorised:</b>			
5,00,000 No. of Equity Shares of ₹10 each	5.00	5.00	2.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>	<b>2.00</b>
<b>Issued, Subscribed and Fully Paid-up :</b>			
182504 Equity Shares of ₹10 each fully paid up	1.83	1.83	1.83
<b>Total</b>	<b>1.83</b>	<b>1.83</b>	<b>1.83</b>

10.1 Reconciliation of the number of equity shares and amount outstanding as on 31st March, 2018:

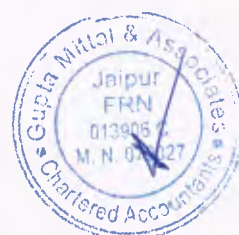
Equity Shares	As at 31st March, 2018		As at 31st March, 2017		As at April 01, 2016	
	No. of equity shares	₹ in millions	No. of equity shares	₹ in millions	No. of equity shares	₹ in millions
Shares outstanding at the beginning of the year	1,82,504	1.83	1,82,504	1.83	1,59,691	1.60
Add : Share subscribed / allotted during the year	-	-	-	-	22,813	0.23
Shares outstanding at the end of the year	1,82,504	1.83	1,82,504	1.83	1,82,504	1.83

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

Name of the shareholder	As at 31st March, 2018		As at 31st March, 2017		As at April 01, 2016	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
Eris Lifesciences Limited	1,37,754	75.48%	1,37,758	75.48%	-	-
Rajesh Dhuria	32,507	17.81%	32,507	17.81%	27,507	15.07%
Rakesh Dhuria	12,239	6.71%	12,239	6.71%	19,667	10.78%
Sameer Paigankar	-	-	-	-	10,000	5.48%
Zyodus Trading Co.Pvt. Ltd.	-	-	-	-	16,000	8.77%
Pharma Serv Ventures P. Ltd.	-	-	-	-	17,733	9.72%
Udaane Ltd.	-	-	-	-	54,751	30.00%
	<b>1,82,500</b>	<b>100.00%</b>	<b>1,82,504</b>	<b>100.00%</b>	<b>1,45,658</b>	<b>79.82%</b>

10.3 Terms / Rights attached to the equity shares:

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



**KINEDEX HEALTHCARE PRIVATE LIMITED**

Notes on financial statement for the year ended March 31, 2018

**Note 11: Other Equity**

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
General reserve	0.17	0.17	0.17
Securities Premium	106.57	106.57	106.57
Retained Earnings	(128.70)	(165.98)	(26.17)
<b>Total</b>	<b>(21.97)</b>	<b>(59.24)</b>	<b>80.57</b>

**Note 12: Borrowings**

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Non-Current</b>			
Secured term loan from bank (Refer note below)	4.88	6.48	5.31
Less: Current maturities of long-term debt (Refer note-13)	1.59	1.54	1.18
	3.29	4.94	4.13
<b>Current</b>			
From Holding Company	92.56	84.25	-
From director	-	-	2.36
Short term loan from Bank	-	-	16.03
	92.56	84.25	18.39
<b>Total</b>	<b>95.85</b>	<b>89.19</b>	<b>22.52</b>

**NOTE**

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

**Note 13: Other financial liabilities**

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Non-Current</b>			
Trade deposits	4.85	8.10	3.85
	4.85	8.10	3.85
<b>Current</b>			
Current maturities of long-term debt (Refer note-12)	1.59	1.54	1.18
	1.59	1.54	1.18
<b>Total</b>	<b>6.44</b>	<b>9.64</b>	<b>5.03</b>



## Note 14: Provisions

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Non-Current</b>			
Provision for employee benefits			
Compensated absences	2.00	2.05	-
Gratuity	6.64	6.24	-
Provision for sales returns	9.45	15.66	-
	18.09	23.95	-
<b>Current</b>			
Provision for employee benefits			
Compensated absences	0.73	0.12	-
Gratuity	0.26	0.28	-
Provision for sales returns	5.52	3.92	-
	6.51	4.32	-
<b>Total</b>	<b>24.60</b>	<b>28.27</b>	<b>-</b>

## Provision for sales returns :

The Company, as a trade practice, accepts returns from market which are primarily in the nature of expired or near expiry products. Provision is made for such returns on the basis of historical experience, market conditions and specific contractual terms.

Opening Provision	19.58	-
Add : Provision during the year	10.46	32.24
Less : Utilisation during the year	15.07	12.66
Closing Provision	14.97	19.58
Long Term	9.45	15.66
Short Term	5.52	3.92
Total	14.97	19.58

## Note 15: Other liabilities

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Non-Current</b>			
Deferred Lease rent payment	-	0.01	-
	-	0.01	-
<b>Current</b>			
Statutory liabilities	4.17	6.14	4.92
Advance from Customer	4.48	-	-
	8.65	6.14	4.92
<b>Total</b>	<b>8.65</b>	<b>6.15</b>	<b>4.92</b>

## Note 16: Trade payables

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Trade payables</b>			
Other than acceptances			
Due to micro and small enterprises (Refer Note 27)	-	-	-
Due to others	66.22	86.48	54.16
<b>Total</b>	<b>66.22</b>	<b>86.48</b>	<b>54.16</b>



## Note 17: Revenue from operations

(₹ in millions)

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Sale of products	512.29	507.65
<b>Revenue from operations (A)</b>	<b>512.29</b>	<b>507.65</b>
GST Refund	3.26	-
Others	0.25	-
<b>Other operating income (B)</b>	<b>3.51</b>	-
<b>Total</b>	<b>515.80</b>	<b>507.65</b>

## Note 18: Other income

(₹ in millions)

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Interest income	0.61	0.05
Net gain on sale of investment	-	0.21
Miscellaneous income	0.14	0.80
<b>Total</b>	<b>0.75</b>	<b>1.06</b>

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

(₹ in millions)

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
<b>Opening stock</b>		
Stock-in-trade	54.91	19.56
	<b>54.91</b>	<b>19.56</b>
<b>Less: Closing stock</b>		
Stock-in-trade	44.42	54.91
	<b>44.42</b>	<b>54.91</b>
<b>Net (Increase) / decrease in stocks</b>	<b>10.49</b>	<b>(35.35)</b>





**KINEDEX HEALTHCARE PRIVATE LIMITED****Notes on financial statement for the year ended March 31, 2018****Note 20: Employee benefits expenses***(₹ in millions)*

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Salaries, wages and bonus	127.76	166.31
Contribution to provident and other funds	10.35	15.45
Staff welfare expenses	1.87	7.06
<b>Total</b>	<b>139.98</b>	<b>188.82</b>

**Note 21: Other expenses***(₹ in millions)*

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Power and fuel	0.54	0.75
Rent	7.05	6.58
Freight and forwarding	4.14	7.82
Commission	16.80	18.13
Donation	0.08	0.13
Advertising, publicity and awareness	10.97	92.42
Repairs and maintenance	4.66	1.82
Selling and distribution	23.77	5.72
Travelling and conveyance	94.45	106.88
Communication	1.03	1.11
Legal and professional	4.99	3.91
Payment to Statutory Auditor - For Audit	0.10	0.21
Rates and taxes	3.19	3.94
Insurance	1.15	0.92
Royalty Expense	0.33	-
Bank charges	0.34	0.26
Miscellaneous	2.56	4.96
Fixed Assets written off	-	0.33
<b>Total</b>	<b>176.15</b>	<b>255.89</b>

**Note 22: Finance cost***(₹ in millions)*

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Interest expense on borrowings	9.96	5.07
Interest on financial liabilities at amortised cost	-	0.53
<b>Total</b>	<b>9.96</b>	<b>5.60</b>



**KINEDEX HEALTHCARE PRIVATE LIMITED****Notes on financial statement for the year ended March 31, 2018****Note no 23 : FIRST TIME IND AS ADOPTION RECONCILIATION**

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is April 1, 2016. The transition is carried out from Indian GAAP (previous GAAP) to Ind AS, notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Ind AS 101 -“First-time Adoption of Indian Accounting Standards”requires that all Ind AS and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2018 for the Company, be applied retrospectively and consistently for all financial years presented, except for the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as described below. The Company has recognised all assets and liabilities whose recognition is required by Ind AS and has not recognised items of assets or liabilities which are not permitted by Ind AS, reclassified items from previous GAAP to Ind AS as required under Ind AS and applied Ind AS in measurement of recognised assets and liabilities.

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**1. Derecognition of financial assets and financial liabilities**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

**2. Classification and measurement of financial assets**

The Company has assessed conditions for classification of the financial assets on the basis of the facts and circumstances that were exist on the date of transition to Ind AS.

**3. Deemed cost of property, plant and equipment and intangible assets**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.

**4. Estimates**

Ind AS estimates on the date of transition are consistent with the estimates as at the same date made in conformity with previous GAAP.

**Statement of reconciliation of standalone equity under Ind AS and Indian GAAP (IGAAP)***( ₹ in millions)*

Particulars	As at 31-Mar-2017	As at 01-April-2016
Total equity as per IGAAP	(57.05)	82.40
Unwinding of rent deposits	(0.36)	-
Total equity as per Ind AS	(57.41)	82.40

**Statement of reconciliation of total comprehensive Income***( ₹ in millions)*

Particulars	For Year ended 31-Mar-2017
Profit after tax as per IGAAP	(139.45)
Unwinding of rent deposits	(0.36)
Profit after tax as per Ind AS	(139.82)

**Statement of reconciliation of Cash flow statement**

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.



## Note 24: Employee benefit plans:

**A) Defined contribution plans:**

The Company makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Company recognized ₹ 5.37 million (Previous Year ₹ 6.35 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

The Company made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Company recognized ₹ 0.89 million (Previous year ₹0.42 million) for ESIC contributions in the Statement of Profit & Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

**B) Defined benefit plans:**

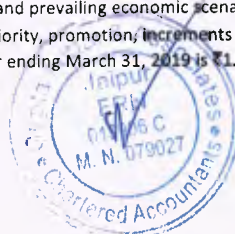
The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Company's financial statements as at 31st March, 2018:

Particulars	(₹ in millions)	
	As at March 31, 2018	As at March 31, 2017
<b>(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :</b>		
Obligations at beginning of the year	6.52	4.85
Current Service Cost	2.14	1.67
Past Service Cost	0.66	-
Interest Cost	0.46	-
Actuarial (gain)/loss on obligation		
- Due to change in Financial Assumptions	(0.32)	-
- Due to experience adjustments	(1.95)	-
Benefits paid	(0.61)	-
Obligations at the end of the year	6.91	6.52
<b>(b) Expense recognised in the statement of profit and loss for the year :</b>		
Service Cost	2.80	1.67
Interest Cost	0.46	-
Expense charged to the statement of profit and loss	3.26	1.67
<b>(c) Expense recognised in other comprehensive income for the year :</b>		
Return on plan assets excluding amounts included in net interest expense	-	-
Actuarial (gain)/loss		
- Due to change in Financial Assumptions	(0.32)	-
- Due to experience adjustments	(1.95)	-
Expense charged to other comprehensive income	(2.27)	-
<b>Assumptions:</b>		
Discount rate	7.60%	7.20%
Estimated rate of return on plan assets	7.60%	7.20%
Annual increase in salary costs	7.00%	7.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Retirement age	58 years	58 years
<b>Sensitivity Analysis:</b>		
<b>Impact on defined benefit obligation</b>		
Increase of +0.5% in discount rate	6.52	6.15
Decrease of +0.5% in discount rate	7.31	6.91
Increase of +0.5% in salary escalation rate	7.25	6.92
Decrease of +0.5% in salary escalation rate	6.57	6.17
<b>Expected future Cash outflows towards the plan are as follows :</b>		
Year 1	0.26	0.28
Year 2	0.32	0.32
Year 3	0.37	0.36
Year 4	0.42	0.40
Year 5	0.45	0.44
Year 6 to 10	3.14	2.32

**Notes:**

- The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
- Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.
- The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.
- The expected contribution to be made by company for gratuity during financial year ending March 31, 2019 is ₹1.82 millions ( ₹ 6.91 millions previous year ).



**KINEDEX HEALTHCARE PRIVATE LIMITED**

**Notes on financial statement for the year ended March 31, 2018**

**Note 25: Related Party Disclosures**

A) List of Related Parties and description of their relationship are as follows:

Sr. No.	Name of the entity	Nature of Relationship
1	Rajesh Dhuria	Director
2	Rakesh Dhuria	Director
3	Eris Lifesciences Limited	Holding Company

B) Transactions with related parties are as follows:

(₹ in millions)

Sr. No.	Particulars	Nature of Relationship	For the year ended March 31, 2018	For the year ended March 31, 2017
1	<b>RAJESH DHURIA</b>	Key Managerial Personnel		
	Salary		2.97	2.45
2	<b>RAKESH DHURIA</b>	Key Managerial Personnel		
	Salary		1.58	1.43
3	<b>Eris Lifesciences Limited</b>	Holding Company		
	Purchases of Stock-in-trade		1.86	-
	Sales of Stock-in-trade		1.95	-
	Net Loans and Advances Accepted		-	82.00
	Royalty Expense		0.33	-
	Interest Expense		9.23	2.50

C) Balances with related parties at end of the year:

(₹ in millions)

Sr. No.	Particulars	Nature of Relationship	As at March 31, 2018	As at March 31, 2017
1	<b>Eris Lifesciences Limited</b>	Holding Company		
	Loans and advances Accepted		92.56	84.25
	Trade payable		2.46	-
	Trade Receivable		2.19	-



**Note 26 Fair Value Measurement****(i) Financial assets and liabilities**

The carrying value and fair value of financial instruments by category is as follows :

	(₹ in millions)			
	As at 31-Mar-2018		As at 31-Mar-2017	
	Fair Value	Carrying Value	Fair Value	Carrying Value
<b>Financial assets :</b>				
<b>Amortised cost :</b>				
Trade receivables	45.34	45.34	61.85	61.85
Cash and cash equivalents	6.40	6.40	0.89	0.89
Other bank balances	0.24	0.24	0.23	0.23
Loans	0.79	0.79	1.78	1.78
Other Financial Asset	5.74	5.74	3.84	3.84
<b>Total</b>	<b>58.51</b>	<b>58.51</b>	<b>68.59</b>	<b>68.59</b>
<b>Financial Liabilities :</b>				
<b>Amortised cost :</b>				
Borrowings	95.85	95.85	89.19	89.19
Trade payables	66.22	66.22	86.48	86.48
Other financial liabilities	6.44	6.44	9.64	9.64
<b>Total</b>	<b>168.51</b>	<b>168.51</b>	<b>185.31</b>	<b>185.31</b>

**(ii) Financial risk management :**

The Company's activities are exposed to variety of financial risks. These risks include credit risks and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

**(A) Credit Risk**

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises majorly from cash and cash equivalents, deposits with banks as well as credit exposures to customers including outstanding receivables.

**Credit Risk Management**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations, and arises principally from the Companies receivables from customers.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. The Company manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 58.51 millions and ₹ 68.59 millions as at 31-March-2018 and 31-March-2017 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets, and investments and these financial assets are of good credit quality including those that are past due.



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**KINEDEX HEALTHCARE PRIVATE LIMITED****Notes on financial statement for the year ended March 31, 2018**

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**(B) Liquidity Risk**

Liquidity Risk is the risk that the company will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The company approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due. The Company generates cash flows from operations to meet its financial obligations and manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

Contractual maturities of significant financial liabilities are mentioned below. The amounts disclosed in the table are the contractual undiscounted cash flows :

(₹ in millions)

	Less than 1 year	1-3 years	More than 3 years
<b>As at 31-03-2018</b>			
Borrowings	1.59	3.08	0.21
Trade payables	66.22	-	-
Other financial liabilities	-	-	4.85
	<b>67.81</b>	<b>3.08</b>	<b>5.06</b>
<b>As at 31-03-2017</b>			
Borrowings	1.55	3.12	1.81
Trade payables	86.48	-	-
Other financial liabilities	3.25	-	4.85
	<b>91.28</b>	<b>3.12</b>	<b>6.66</b>

**(iii) Capital management**

The capital structure of the Company consists of equity, debt, cash and cash equivalents. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

**Note 27: Micro Small & Medium Enterprises**

Based on the information available with the Company, there are no enterprises covered under the definition of Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This has been relied upon by the Auditors.

**Note 28: Segment reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the director and the company has only one reportable business segment i.e. 'pharmaceuticals'.



**KINEDEX HEALTHCARE PRIVATE LIMITED****Notes on financial statement for the year ended March 31, 2018****Note 29: Leases :**

The Company has entered into operating lease agreement for office premises and certain facilities. Lease payments recognised in the statement of profit and loss ₹ 7.05 million (Previous year ₹ 6.58 million). The Company has given refundable interest free security deposits in accordance with the agreed terms. The total future minimum lease payments under non-cancellable leases are as below:

( ₹ in millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Not later than one year	-	-
Later than one year and not later than 5 years	-	5.49
Later than five years	-	4.07

**Note 30: Regrouping**

Previous period figures have been regrouped / reclassified wherever necessary, so as to make them comparable with those of the current year.

**For Gupta Mittal & Associates**

Chartered Accountants

Firm Reg No : 013906C

**Mukesh Kumar Gupta**

Partner

Membership No. : 079027



Place: Ahmedabad

Date: May 18, 2018

**For and on behalf of the Board of Directors****Rajesh Dhuria**

Director

DIN: 00456596

**Rakesh Dhuria**

Director

DIN: 02814751

Place : Ahmedabad

Date : May 18, 2018