



INDEPENDENT AUDITOR'S REPORT
To the Members of Sapien Biosciences Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion:

We have audited the accompanying standalone financial statements of **Sapien Biosciences Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.





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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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



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

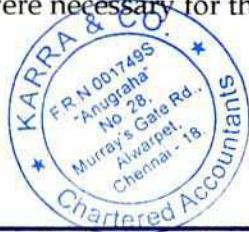
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended 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 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.





2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For KARRA & CO.,
Chartered Accountants
Firm's Registration No. 001749S

K. Sathyanarayanan

K.Sathyanarayanan

Partner

Membership No.210737

Date:

Place: Hyderabad





ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sapien Biosciences Private Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Sapien Biosciences Private Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





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

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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





Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Karra & Co.,
Chartered Accountants,
FRN:001749S

K. Sathyam

K.SATHIYANARAYANAN
PARTNER
MEMBERSHIP NO.210737
Date:
Place: Hyderabad





ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sapien Biosciences Private Limited of even date).

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) The fixed Assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical assets have been noticed. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us the company does not have any immovable properties and hence the provisions of this clause are not applicable.
- ii) The Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- iii) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of Companies Act 2013.
- iv) This clause is not applicable since the Company has not granted any loan or advances or has provided any guarantee or security as per the Section 185 & 186 of the Companies Act, 2013,
- v) According to the information and explanation given to us, the Company has not accepted any deposits from the public under the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under and the directives issued by the Reserve Bank of India are not applicable.
- vi) The maintenance of cost records has not been specified by Central Government hence this clause is not applicable.
- vii) (a) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues applicable to the Company including provident fund, employees' state insurance, income-tax, cess and other statutory dues with the appropriate authorities during the financial year ended 31st March 2019. There are no undisputed amounts payable in respect of income tax, cess and other statutory dues which are outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.





(b) There are no dues in respect of income tax, Goods and service tax, cess and other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

viii) This clause is not applicable as there is no loan from financial institution.

ix) The company has not raised moneys by way of initial public offering or further public offer (including debt instruments). However, the company has taken term loan from a bank during the year and it was applied for the purpose for which the term loan was raised.

x) To the best of our knowledge and belief and according to the information and explanation given to us no fraud on or by the Company has been noticed or reported during the period under Audit. Hence disclosure of the nature and the amount involved in the fraud is not applicable.

xi) This clause is not applicable as no Managerial Remuneration has been paid / provided during the year.

xii) This clause is not applicable as the company is not a Nidhi Company.

xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year

xv) The Company has not entered into any non-cash transactions with the directors or persons connected with them.

xvi) This clause is not applicable as the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Karra& Co.,

Chartered Accountants

Firm Registration Number: 001749S

K. Sathyanarayanan

Partner

Membership Number: 210737

Place : Hyderabad

Date :



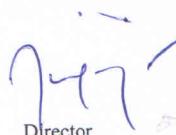
Sapien Biosciences Private Limited
Balance Sheet as at March 31, 2019
(All amounts are in Rs unless otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	656,311	449,186
(b) Financial Assets			-
(c) Deferred tax assets (net)		172,253	178,760
(d) Other non-current assets	5	-	11,236
Total Non - Current Assets		828,565	639,182
Current assets			
(a) Financial Assets			-
(i) Trade receivables	6	9,387,773	7,788,339
(ii) Cash and cash equivalents	7	1,802,072	2,534,698
(iii) Others	8	695,472	242,441
(b) Other current assets	9	180,475	126,766
Total Current Assets		12,065,792	10,692,244
Total Assets		12,894,357	11,331,427
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital			
Share Capital		142,860	142,860
(b) Other Equity	10	(30,425,289)	(31,310,447)
Total Equity		(30,282,429)	(31,167,587)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
Borrowings measured at amortised cost	11	31,360,000	31,360,000
(b) Provisions	12	589,685	692,722
(c) Deferred tax liabilities		-	
(d) Other Non Current liabilities	13	5,793,175	4,129,975
Total Non - Current Liabilities		37,742,860	36,182,697
Current liabilities			
(a) Financial Liabilities			
(i)Trade payables	14	-	-
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,553,128	519,170
(ii)Others	15	436,213	333,045
(b) Provisions	12	154,793	21,481
(c) Other current liabilities	16	3,289,791	5,442,620
Total Current Liabilities		5,433,925	6,316,316
Total Liabilities		43,176,785	42,499,013
Total Equity and Liabilities		12,894,357	11,331,427
The above balance sheet should be read in conjunction with the accompanying notes.			
As per our report on financial statements of even date attached.			
For Karra and Co. Chartered Accountants Firm Registration no: 001749S		For and on behalf of the Board of Directors of Sapien Biosciences Private Limited	
K.Sathiyaranarayanan Partner Membership No.: 210737		 Director	Director
Place: Hyderabad Date:		Place: Hyderabad Date:	

Sapien Biosciences Private Limited

Statement of Profit and Loss for the year ended 31st March, 2019

(All amounts are in Rs unless otherwise stated)

Particulars	Notes	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Revenue from Operations	17	23,897,267	19,299,944
Other Income	18	186,686	384,141
Total Income		24,083,953	19,684,085
Expenses			
Cost of materials & Services	19	3,080,503	2,174,346
Changes in stock of finished goods, work-in-progress and stock-in-trade		-	-
Employee benefit expense	20	10,017,679	9,557,440
Finance costs	21	599,596	602,826
Depreciation and amortisation expense	22	87,846	141,915
Impairment expenses/losses		-	-
Other expenses	23	9,376,914	5,312,811
Total Expenses		23,162,537	17,789,339
Profit/(loss) before exceptional items and tax (I- IV)		921,416	1,894,746
Exception items			-
Profit/(loss) before tax		921,416	1,894,746
Tax expense:			
(1) Current tax		29,752	214,934
(2) Deferred tax		6,507	(209,043)
Profit (Loss) for the year from continuing operations		885,157	1,888,855
Profit/(loss) for the year		885,157	1,888,855
Other Comperhensive Income			
Other Comperhensive Income not to be reclassified to Profit or Loss in subsequent periods			
Remeasurement - Gains/ (loss) on defined benefit plans		-	-
Income Tax Effect		-	-
Total		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		885,157	1,888,855
Earnings per equity share :			
Basic (in Rs.)		61.96	132.22
Diluted (in Rs.)		61.96	132.22
The above profit and loss should be read in conjunction with the accompanying notes.			
As per our report on financial statements of even date attached.			
For Karra and Co. Chartered Accountants Firm Registration no: 001749S		For and on behalf of the Board of Directors of Sapien Biosciences Private Limited	
K. Sathiyarayanan Partner Membership No.: 210737			Director
Place: Hyderabad Date:		Place: Hyderabad Date:	Director

Sapien Biosciences Private Limited

Cash Flow Statement for the Year Ended 31st March, 2019
(All Amounts in Indian Rupees)

		For the year ended	For the year ended
		31 March 2019	31 March 2018
A)	CASH FLOW FROM OPERATING ACTIVITIES:	Rs.	Rs.
	Net Profit before tax and extraordinary items	921,416	1,894,745
	<i>Adjustment for:</i>		
	Depreciation and Amortisation expenses	87,846	141,915
	Provision for Gratuity	30,225	714,203
	Interest and Finance charges	599,596	602,826
	<i>Operating Profit Before Working Capital Changes</i>	1,639,083	3,353,689
	Changes in Working Capital		
	(Increase)/Decrease in Trade Receivables	(1,599,434)	(2,586,483)
	(Increase)/Decrease in Short Term Loans & Advances	-	30,000
	Increase/(Decrease) in Trade Payables	1,137,126	(117,939)
	Increase/(Decrease) in Other Current Liabilities	(2,152,830)	1,262,866
	(Increase)/Decrease in Other Current Assets	(506,740)	51,282
	<i>Cash Generated from Operations</i>	(1,482,795)	1,993,415
	Direct Taxes Paid	(29,752)	(214,934)
	Net Cash Flow from Operating Activities	(1,512,543)	1,778,481
B)	CASH FLOW FROM INVESTING ACTIVITIES:		
	Inflow/(Outflow)		
	Purchase of Fixed Assets	(294,970)	(97,685)
	Movement in Loans and Advances	-	-
	Proceeds from Fixed deposit	1,663,247	-
	(Increase) / Decrease in Non-current Assets	11,236	-
	Increase / (Decrease) in share capital & premium	-	-
	Net Cash Flow from Investing Activities	1,379,513	(97,685)
C)	CASH FLOW FROM FINANCING ACTIVITIES:		
	Inflow / (Outflow)		
	Proceeds from Long Term Borrowings (Net)	-	-
	Proceeds from Short Term Borrowings	-	-
	Repayment of Long Term Borrowings	-	-
	Interest Paid	(599,596)	(602,826)
	Net Cash Flow from Financing Activities	(599,596)	(602,826)
D)	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS:	(732,626)	1,077,970
	Cash and Cash Equivalents at the beginning of the year	2,534,698	1,456,724
	Cash and Cash Equivalents at the end of the year	1,802,072	2,534,698
	Notes :		
	1. Cash and cash equivalent includes		
	Cash in hand	-	-
	Balance with Banks in Current Accounts	1,802,072	2,534,698
	As per our Report of even date		
	For Karra and Co.,		
	Chartered Accountants		
	Firm Regn: 001749S		
	K.Sathiyaranarayanan		
	Partner		
	Membership No.: 210737		
	Place: Hyderabad		
	Date:		
		for and on behalf of the Board of Directors of Sapien Biosciences Private Limited	
			
		Director	Director

Sapien Biosciences Private Limited

Statement of Changes in Equity for the year ended 31 March 2019

Statement of Changes in Equity for the year
(All amounts are in Rs unless otherwise stated)

Share capital	Amount
As at 31st March 2018	
Equity Share Capital	142,860
Total	142,860
As at 31st March 2019	
Equity Share Capital	142,860
Total	142,860

Statement of Changes in Other Equity for the year ended 31 March 2019

Reserve and surplus						Items of other comprehensive income	Total
Securities premium reserve	Share options outstanding account	IND AS Transistation Reserve	Capital reserve on common control transaction	Retained earnings	Remeasure investment movements of defined benefit plans	Equity	
Balance as at March 31, 2017	-	-	-	(33,199,302)			(33,199,302)
Profit for the year	-	-	-	1,888,855			1,888,855
Other comprehensive income for the year	-	-	-	-			-
Total Comprehensive income for the year	-	-	-	1,888,855			1,888,855
Others	-	-	-	-			-
Recognition of share-based payments	-	-	-	(31,310,447)			(31,310,447)
Balance as at March 31, 2018	-	-	-	885,157			885,157
Other comprehensive income for the year	-	-	-	-			-
Total Comprehensive income for the year	-	-	-	885,158			885,158
Loss for the year	-	-	-	-			-
P <u>Balance as at March 31, 2019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,425,289)</u>			<u>(30,425,289)</u>

Sapien Biosciences Private Limited
Groupings for Ind AS Financials Statements

ASSETS

Non-current assets

4. Property, Plant and Equipment	As at 31 March 2019	As at 31 March 2018
Carrying Amounts of:		
Furnitures, Fixtures & Fittings	173,115	161,747
Office Equipments	330,709	173,023
Computers	152,488	114,417
	656,311	449,186

5. Other Non-Current Assets	As at 31 March 2019	As at 31 March 2018
Sarrum Innovation Private Limited	0	11,236
	0	11,236

6. Trade Receivables	As at 31 March 2019	As at 31 March 2018
Secured, Considered Good	11,464,571	7,788,339
Unsecured, Considered Good	-	-
Doubtful	-	-
Provision as per ECL	(2,076,798)	-
	9,387,773	7,788,339

7. Cash and Cash Equivalents	As at 31 March 2019	As at 31 March 2018
Cash on hand	-	-
Balances with banks in current accounts	1,802,072	1,024,933
Balances with banks in deposit accounts	0	1,509,765
	1,802,072	2,534,698

8. Other Current Financial Assets	As at 31 March 2019	As at 31 March 2018
TDS Receivable	695,472	242,441
	695,472	242,441

9. Other Current Assets	As at	
	31 March 2019	As at 31 March 2018
AHERF	49,344	49,344
Advances to Employees	0	6,257
Prepaid Expenses	33,325	36,264
Service Tax Receivable	-	0
Advance to Suppliers	61,360	0
GST Credit Receivable	36,446	34,900
	180,475	126,766

10. Other Equity	As at	
	31 March 2019	As at 31 March 2018
General Reserve	(31,310,447)	(33,199,302)
Surplus in P&L	885,157	1,888,855
Other Comprehensive Income (OCI)	-	-
	(30,425,289)	(31,310,447)

11. Borrowings	As at	
	31 March 2019	As at 31 March 2018
Non Current		
Unsecured at amortised cost		
9% Fully paid Non-Cummulative Redeemable		
Preference shares of Re.10 each	26,000,000	26,000,000
Loan from related parties	3,000,000	3,000,000
Loan from Director	2,360,000	2,360,000
	31,360,000	31,360,000

12. Provisions	As at	
	31 March 2019	As at 31 March 2018
Non-Current		
Provision for Gratuity	589,685	692,722
	589,685	692,722
Current		
Provision for Gratuity	154,793	21,481
	154,793	21,481

13. Other Non Current Liabilities	As at	
	31 March 2019	As at 31 March 2018
Interest Payable	2,137,195	1,606,555
Rent Payable	3,655,980	2,523,420
	5,793,175	4,129,975

14.Trade Payables	As at	
	31 March 2019	As at 31 March 2018
(a)Total outstanding dues of micro enterprises and small enterprises		
(b)Total outstanding dues of creditors other than micro enterprises and small enterprises	1,553,128	519,170
	1,553,128	519,170

15.Other Financial Liabilities	As at	
	31 March 2019	As at 31 March 2018
TDS Payable	266,068	189,772
Duties & Taxes Payable	170,145	143,273
	436,213	333,045

16. Other Current Liabilities	As at	
	31 March 2019	As at 31 March 2018
Advances from Customers	0	1,008,386
Salaries Payable	121,108	173,324
Director Remuneration payable	758,364	1,627,794
Out standing Rent	1,132,560	1,132,560
Interest on Unsecured Loans	530,640	530,640
Audit fee payable	92,000	51,525
Dues to Employees	48,562	46,908
Income Tax Provision	29,752	214,934
Other Payables	576,805	656,550
	3,289,791	5,442,620

Sapien Biosciences Private Limited
Groupings for Ind AS Financials Statements

17. Revenue from Operations	Year ended 31 March 2019	Year ended 31 March 2018
<u>Sale of Services</u>		
Testing Receipts	1,690,600	2,437,208
Research Income	22,206,667	16,862,736
	23,897,267	19,299,944

18. Other Income	Year ended 31 March 2019	Year ended 31 March 2018
Interest Income	57,855	39,169
Miscellaneous Income	26,773	0
Forex Gain	102,058	344,972
	186,686	384,141

19. Cost of Material & Services	Year ended 31 March 2019	Year ended 31 March 2018
Chemicals and Consumables	1,011,522	959,030
Diagnostic Services	1,822,554	1,004,420
Ethics Committee Expenses	176,730	160,000
Other Consumables	69,697	50,896
	3,080,503	2,174,346

20. Employee Benefit Expense	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and Wages	9,362,298	8,441,171
Contribution to provident fund and other funds	265,164	236,474
Employee Insurance	140,046	106,971
Staff welfare expenses	93,913	3,195
Gratuity	30,275	714,203
Others	125,983	55,426
	10,017,679	9,557,440

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21. Finance Costs	Year ended 31 March 2019	Year ended 31 March 2018
Bank Charges	9,996	13,226
Interest on Unsecured Loans	589,600	589,600
	599,596	602,826

23. Other Expenses	Year ended 31 March 2019	Year ended 31 March 2018
Director Remuneration	1,987,500	1,987,500
Rent	1,058,400	1,058,400
Taxes & Duties	5,750	9,400
Legal Charges	44,600	6,600
Loss on foreign exchange	0	69,459
Repairs & Maintenance	29,400	3,220
Lab Maintenance	52,526	0
Professional & Consultancy Charges	2,397,248	917,082
Data Storage Charges	49,580	44,588
Audit Fee	115,000	50,000
Office Expenses	160,713	157,819
Electricity	120,000	120,000
Printing & Stationary	15,740	17,559
IT & Telephone Expenses	159,841	136,805
Membership & Subscription	91,058	47,150
Donations	40,000	50,000
Travelling & Conveyance Expenses	676,086	279,576
Software and Licenses	131,100	141,247
Miscellaneous Expenses	28,706	13,613
Postage & Courier	136,869	202,794
Provision for Doubtful Debts	2,076,798	0
	9,376,914	5,312,812

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Sapien Biosciences Private Limited
Notes to the financial statements for the year ended March 31, 2019
(Amounts in INR unless otherwise stated)

Share Capital

	As at 31 March 2019	As at 31 March 2018
Authorised Share capital :		
Fully paid equity shares of Re.10 each	1,000,000	1,000,000
Fully paid Preference share of Rs.10 each	26,000,000	26,000,000
Issued share capital comprises:		
Fully paid equity shares of Re.10 each	142,860	142,860
9% Fully paid Non-Cumulative Redeemable Preference shares of Re.10 each	26,000,000	26,000,000
	<hr/> 26,142,860	<hr/> 26,142,860

Fully paid equity shares

	Number of shares	Share capital (Amount)
Balance at March 31, 2018	14,286	142,860
issue of shares during the year	-	-
Balance at March 31, 2019	<hr/> 14,286	<hr/> 142,860

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share.

Details of shares held by the holding company, its subsidiaries and associates

Particulars	Fully paid ordinary shares	% of Holding
As at March 31, 2018		
Equity Shares		
Apollo Hospitals Enterprise Limited	10,000	70.00%
Sarrum Innovations Private Limited	4,286	30.00%
As at March 31, 2019		
Equity Shares		
Apollo Hospitals Enterprise Limited	10,000	70.00%
Sarrum Innovations Private Limited	4,286	30.00%

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Note No 22 : Fixed Assets & Depreciation FY 2018-19

Description	Gross Block			Depreciation		Net Block	
	As at 1-Apr-18	Additions (Deletions)	As at 31-Mar-19	upto 1-Apr-18 for the Period	upto 31-Mar-19	As at 31-Mar-19	As at 31-Mar-18
Computers	856,061	65,970	922,031	741,644	27,899	769,543	152,488
Equipment	277,793	195,000	472,793	104,769	37,315	142,084	330,709
Furniture & Fixtures	224,030	34,000	258,030	62,283	22,632	84,915	173,115
Total	1,357,884	294,970	1,652,854	908,696	87,846	996,542	656,311
							449,187

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Statement of Depreciation allowable as per the Income Tax Act, 1961

	Rate of Dep.	W.D.V. As On 01.04.2018	< 180 days	> 180 days	Additions	Deletions	Total	Depreciation	W.D.V. As On 31.03.2019
Block - A									
Furniture & Fixtures	10%	160,779	34,000	-	-	-	194,779	17,778	177,001
Block - B	40%	90,766	65,970	-	-	-	156,736	49,500	107,236
Computer Block- C	15%	160,528	195,000	-	-	-	355,528	38,704	316,824
Lab Equipment									
		412,073	294,970	-	-	-	707,043	105,982	601,061

Deferred Tax	
FY-2018-19	
On a/c of Depr.	
Net Block as per Books	656,311
Net Block as per IT	601,061
Provision for Gratuity	
	(55,250)
	30,225
	(25025)
IT @ 26%	
Less: Def Tax Asset existing	(6507)
	178,760
	172,253
Def tax (Liability)/Asset	172,253

✓

Computation of Minimum Alternate Tax payable under section 115JB

		Financial Year Assessment Year	2018-2019 2019-2020
1	Profit after tax as shown in the Profit and Loss Account		921,416
2	Additions (if debited in profit and loss account)		
a	Income Tax paid or payable or its provision (other than FBT)		
b	Reserve (except reserve under section 33AC)		
c	Provisions for unascertained liability		
d	Provisions for losses of subsidiary companies		
e	Dividend paid or proposed		
f	Expenditure related to exempt income under sections 10, 10A, 10B, 11 or 12 [exempt income excludes income exempt under section 10(38)]		
g	Depreciation Including revaluation of assets		87,846
h	Others		
i	i Total additions (4a+4b+4c+4d+4e+4f+4g + 4h)		87,846
3	Deductions		87,846
a	Depreciation excluding revaluation of assets		
	Income exempt under sections 10, 10A, 10B, 11 or 12 [exempt income excludes income exempt under section 10(38)]		
c	Amount withdrawn from revaluation reserve and credited to profit and loss account to the extent it does not exceed the amount of depreciation attributable to revaluation of asset		
d	Loss brought forward or unabsorbed depreciation which ever is less		766,781
e	Profit of sick industrial company till net worth is equal to or exceeds accumulated losses		
f	Others (including residual unadjusted items and the amount of deferred tax credited to P&L A/c)		
g	Others		
h	h Total deductions (5a+5b+5c+5d+5e + 5f)		854,627
4	Book profit under section 115JB (3+ 4i - 5g)		154,635
5	Tax payable under section 115JB @18.5%		28,607
	Add: Education Cess @4%		1,144
	Tax Payable under MAT		29,752

Tax payable as per Normal provisions

Tax provision to be made, Whichever is higher of (a) MAT or (b) Normal provisions

29,752

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Section 1 Historic data of trade receivables for 8 quarters

Section 1 Historic data of trade receivables for 8 quarters

Period	Currency	Total Debtors	0-30	30-60	60-90	90-180	180-365 days	> 2 years	Provision	Net receivables
Q1 FY 17-18	INR	2,855,100	399,774	594,715	870,783	519,715	642,509	989,828	-	2,855,100
Q2 FY 17-18	INR	2,399,562	172,000	75,500	-	519,715	642,509	989,828	-	2,399,562
Q3 FY 17-18	INR	9,500,446	7,131,644	209,000	7,750	519,715	642,509	989,828	-	9,500,446
Q4 FY 17-18	INR	7,788,311	1,912,123	1,445,632	-	2,050,135	3,066	1,244,474	1,107,381	7,788,311
Q1 FY 18-19	INR	6,031,705	184,000	2,694,595	1,466,904	17,000	-	3,066	1,661,140	6,031,705
Q2 FY 18-19	INR	3,569,438	695,828	51,000	1,158,404	-	3,066	1,661,140	-	3,569,438
Q3 FY 18-19	INR	3,849,765	606,090	750	29,100	129,300	1,419,329	3,066	1,661,140	3,849,765
Q4 FY 18-19	INR	8,835,063	19,560	-	-	912,562	33,250	1,664,206	-	8,835,063
		11,464,571								11,464,571

Step 2 - Computation of PD for each age bucket - March 19

21 November 2010

Step 5 - Computation of ECL

31-Mar-19	Particulars	Ind-AS
Debtors		11,464,571
Less: Identified specifically as bad		-
Net debtors		11,464,571
Probability of default number		2,076,798
Loss given default	100%	2,076,798
Existing Provision as on 31.3.2018		2,076,798
Total Provision as on 31.3.2019		-
Add: specific provision		
Total provision		2,076,798
Net debtors		9,387,773
al provision/ (reversal) for the current year		2,076,798
Total Trade Receivables as per FS		9,387,773

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Sapien Biosciences Private Limited

Notes to the financial statements for the year ended March 31, 2019

All amounts are in Rs unless otherwise stated

1 General Information

Sapien Bioscience Private Limited, a company incorporated under the Companies Act, 1956 having its place of business at 1st Floor, AIMSR Bldg. Apollo Health City, Jubilee Hills, Hyderabad-500096

SBPL is inter alia engaged in the business of building a high-quality bio-repository that integrates ethically consented human samples with associated medical, pathological & diagnostic data and leverage this resource to develop & deliver high-end diagnostic applications. Further Sapien will partner with healthcare enterprises and drug discovery companies globally to study disease epidemiology, validate new diagnostics, identify new drug targets and evaluate new drugs

2 Application of new and revised Ind ASs

The company has applied all the applicable Ind ASs notified by the MCA.

3 Significant accounting policies

3.1 Statement of compliance

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

3.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies are set out below.

3.3 Revenue recognition

Income and Expenditure are accounted on accrual basis.

3.4 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.5.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.



3.5.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.6 1. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred

Depreciation on Fixed assets is charged at the rates charged in the manner specified in Schedule II of the companies act 2013

Estimated useful lives of the Tangible Assets are as follows:

Particulars	No of Years
Office Equipment	5 years
Furniture and Fixtures	10 years
Computers	3 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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3.7 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

3.8 Earnings per share

Basic earnings per share are computed by dividing the net profit or loss after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit or loss after tax attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.9 Investments in equity instruments

Company measures the investment in equity investments at fair value model.

3.10 Financial liabilities and equity instruments

3.10.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.10.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.10.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

3.10.4 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.10.5 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

3.10.6 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.11 Additional information to the financial statements

		As at 31.03.2019	As at 31.03.2018
a)	Contingent Liabilities:	Nil	Nil
b)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for :	Nil	Nil
c)	Amount of dividend proposed to be distributed to equity share holders :	Nil	Nil
d)	CIF Value of Imports:	Nil	Nil
e)	Expenditure in foreign currency during the year:	Nil	Nil
f)	Earnings in Foreign Exchange:	US \$2,80,780 = Rs.176,50,202	US \$1,99,525 = Rs.128,64,528
g)	Disclosure under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :	Nil	Nil
h)	Litigations which affect the financial position of the company	Nil	Nil

3.12 Related Party Transactions

Name of the party	Nature of Relationship	Nature of the transaction	Transactions during the year			Outstanding as on 31.03.2019
			Rs.	Rs.	Rs.	
		Opening balance	Dr.	Cr.		
Apollo Hospitals Enterprise Limited	Holding Company	5,826,934 Cr				
		Payments during the year	173,100			
		TDS deducted	121,840			
		Services rendered by Sapien myplatelet Services	1,000,000			
		Services rendered by AHEL		189,100		
		Rent Premises		1,238,400		5,959,494 Cr
		3,493,101 Cr				
		Payments during the year				
		Interest accumulated	33,000			
		TDS deducted				3,790,101 Cr
Western Hospitals	Subsidiary of AHEL	2,833,140 Cr				
		Interest accumulated		259,600		
		Remuneration	1,987,500	1,987,500		
		Reimbursements	581,707	740,409		
		TDS deducted	25,960			3,225,482 Cr
Dr. Jugnu Jain	Director	Dr				
		Payments during the year	313,500			
		Receipts during the year		285,000		
					28,500 Dr	
Apollo Hospitals Enterprise Limited	Bhubaneswar	Dr				
		Payments during the year	477,080	246,500		
		Receipts during the year		256,500		467,080 Dr
Apollo Hospitals Enterprise Limited	Hyderabad					

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3.13 Auditors' Remuneration:

Particulars	Year ended 31 st March, 2019	Period ended 31 st March, 2018
	Amount Rs.	Amount Rs.
Audit Fee	60,000	50,000
GST	10800	7,500
Total	70,800	57,500

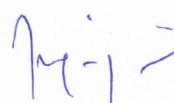
3.14 Previous period figures are re-grouped/reclassified /restated, wherever necessary to conform to current year's presentation.

3.15 All figures are rounded off to the nearest rupee.

As Per our Report of even date

For Karra and Co.,
Chartered Accountants
Firm Reg No.:001749S

For and on behalf of the Board of
Sapien Biosciences Private Limited



Director

K.Sathianarayanan
Partner
Membership No.: 210737

Director