



INDEPENDENT AUDITOR'S REPORT

To the Members of Sapien Biosciences Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Sapien Biosciences Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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



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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (18 of 2013), we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the order.



2. As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance sheet, Statement of Profit and Loss, and Cash Flow Statement dealt by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representation received from the Directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors were disqualified as on March 31, 2016, 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".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

For Karra & Co.,
Chartered Accountants
Firm Registration Number: 001749S

V. Venkateswara Rao
Partner
Membership Number: 22370



Place : Hyderabad

Date:

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under Report on other legal and regular requirements of the Independent Auditor's Report to the Members of **Sapien Biosciences Private Limited** for the year ended 31st March 2016. We report as required under paragraph 3 and 4 of the order that:

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 do not have any immovable properties and hence the provisions of this clause are not applicable.

ii) This clause is not applicable since there were no inventories in the books of accounts of the Company

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.

Due to the reasons cited above, question of receipt of the principal amount and interest at regular intervals and whether reasonable steps were taken for recovery of the principal and interest where overdue amount is more than Rs. One Lakh is not applicable .

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 to the extent applicable during the financial year ended 31st March 2016. There are no undisputed amounts payable in respect of income tax, cess and other statutory dues which are outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.

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

Viii) There were no borrowings from the financial institutions, bank, Government or from the debenture holders. Hence the question of disclosure of Company defaulting the repayment of dues to financial institutions, bank, Government or debenture holders and disclosure of period and amount of default do not arise.

ix) This clause is not applicable as the company has not raised moneys by way of initial public offering or further public offer (including debt instruments) and there were no term loans. The question of application of the term loans for the purpose for which those were raised do not arise

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 Financial Statements as required by the applicable accounting standards.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential



allotment or private placement of shares or fully or partly convertible debentures during the year

xv)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

V. Venkateswara Rao
Partner
Membership Number: 22370



Place : Hyderabad
Date :

ANNEXURE A

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Sapien Biosciences Private Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on 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
Firm Registration Number: 001749S

V. Venkateswara Rao
Partner

Membership Number: 22370



Place : Hyderabad

Date :

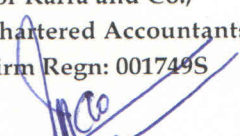



Sapien Biosciences Private Limited

(CIN:U73100TG2012PTC080254)

8-2-293/82/J-111/DH/900, 1st Floor, AHERF Building, Apollo Hospitals Complex, Jubilee Hills,
Hyderabad.

Balance Sheet as at 31st March, 2016

(All Amounts in Indian Rupees)

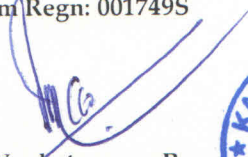



Particulars	Note No	As at 31.3.2016	As at 31.3.2015
I EQUITY AND LIABILITIES :			
1. Shareholders Funds:			
(a) Share Capital	2	20,142,860	20,142,860
(b) Reserves & Surplus	3	(29,977,491)	(19,607,055)
3. Non-Current Liabilities			
(a) Long Term Borrowings	4	12,024,441	300,000
(b) Deferred Tax Liabilities (Net)	5	56,489	65,129
4. Current Liabilities			
(a) Trade Payables	6	298,418	985,141
(b) Other Current Liabilities	7	2,642,437	1,213,568
Total		5,187,154	3,099,642
II ASSETS :			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	709,602	787,043
2. Current Assets			
(a) Trade Receivable	9	336,527	571,724
(a) Cash and Cash Equivalents	10	1,856,689	1,457,436
(c) Short Term Loans and Advances	11	48,115	63,708
(d) Other Current Assets	12	2,236,220	219,731
Total		5,187,154	3,099,642
Significant Accounting Policies	1		
Additional Information to Financial Statements	19		
As per our Report of even date			
For Karra and Co., Chartered Accountants Firm Regn: 001749S		for and on behalf of the Board of Directors of Sapien Biosciences Private Limited	
 V. Venkateswara Rao Partner M.No.022370		 Director Sreevatsa G. Natarajan DIN: 03250178	 Director Seemant Jauhari DIN: 03521551
Place: Hyderabad			
Date: 4/20/16			

Sapien Biosciences Private Limited

(CIN:U73100TG2012PTC080254)

8-2-293/82/J-111/DH/900, 1st Floor, AHERF Building, Apollo Hospitals Complex, Jubilee Hills, Hyderabad.

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




(All Amounts in Indian Rupees)			
Particulars	Note No	For the year ended 31.3.2016	For the year ended 31.3.2015
I. Revenue from Operations	13	5,697,777	2,197,728
II. Other Income	14	249,712	-
III. Total Revenue(I+II)		5,947,489	2,197,728
IV. Expenses :			
Materials and Consumables		1,740,807	3,418,375
Employee Benefits Expense	15	9,914,231	9,290,314
Finance Costs	16	751,358	613
Depreciation & Amortisation Expense	8	257,521	244,913
Other Expenses	17	3,662,648	2,486,941
Total Expenses		16,326,565	12,022,781
V. Profit before exceptional and extraordinary items and tax (III-IV)		(10,379,076)	(9,825,053)
VI. Exceptional and Extraordinary items			-
VII. Profit before Tax (V-VI)		(10,379,076)	(9,825,053)
VIII. Tax Expense :			
(1) Current Tax			-
(2) Deferred Tax		(8,640)	13,783
IX. Profit/ (Loss) for the year from Continuing Operations (VII-VIII)		(10,370,436)	(9,838,835)
X. Profit/ (Loss) for the year		(10,370,436)	(9,838,835)
XI. Earnings per equity share			
Basic		(725.92)	(688.70)
Significant Accounting Policies	1		
Additional Information to Financial Statements	19		
As per our Report of even date		for and on behalf of the Board of Directors of	
For Karra and Co.,		Sapien Biosciences Private Limited	
Chartered Accountants			
Firm Regn: 001749S			
 V. Venkateswara Rao Partner M.No.022370	 Director Sreevatsa G. Natarajan DIN: 03250178	 Director Seemant Jauhari DIN: 03521551	
			
Place: Hyderabad			
Date: 04/20/16			

Sapien Biosciences Private Limited

(CIN:U73100TG2012PTC080254)

Cash Flow Statement for the Year Ended 31st March, 2016

(All Amounts in Indian Rupees)

		For the year ended 31 March 2016	For the year ended 31 March 2015
A)	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before tax and extraordinary items	(10,370,436)	(13,257,211)
	<i>Adjustment for:</i>		
	Depreciation and Amortisation expenses	257,521	244,913
	Interest and Finance charges		
	<i>Operating Profit Before Working Capital Changes</i>	(10,112,915)	(13,012,298)
	Changes in Working Capital		
	(Increase)/Decrease in Trade Receivables	235,197	(134,974)
	(Increase)/Decrease in Short Term Loans &	15,593	55,972
	Increase/(Decrease) in Trade Payables	(686,723)	985,141
	Increase/(Decrease) in Other Current Liabilities	1,428,869	829,862
	(Increase)/Decrease in Other Current Assets	(2,016,489)	(208,495)
	<i>Cash Generated from Operations</i>	(11,136,469)	(11,484,792)
	Direct Taxes Paid	(8,640)	13,783
	Net Cash Flow from Operating Activities	(11,145,109)	(11,471,009)
B)	CASH FLOW FROM INVESTING ACTIVITIES:		
	<i>Inflow/(Outflow)</i>		
	Purchase of Fixed Assets	(180,080)	(479,906)
	Movement in Loans and Advances	-	-
	Proceeds from sale of Fixed Assets	-	-
	(Increase) / Decrease in Non-current Assets	-	-
	Increase / (Decrease) in share capital & premium	-	10,000,000
	Net Cash Flow from Investing Activities	(180,080)	9,520,094
C)	CASH FLOW FROM FINANCING ACTIVITIES:		
	<i>Inflow / (Outflow)</i>		
	Proceeds from Long Term Borrowings (Net)	11,724,441	-
	Proceeds from Short Term Borrowings	-	-
	Interest Paid	-	-
	Net Cash Flow from Financing Activities	11,724,441	-
D)	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS:	399,252	(1,950,915)
	Cash and Cash Equivalents at the beginning of the year	1,457,436	3,408,351
	Cash and Cash Equivalents at the end of the year	1,856,689	1,457,436
		399,253	(1,950,916)
	Notes :		
	1. Cash and cash equivalent includes		
	Cash in hand		-
	Balance with Banks in Current Accounts	1,856,689	1,457,436
	As per our Report of even date For Karra and Co., Chartered Accountants Firm Regn: 001749S	for and on behalf of the Board of Directors of Sapien Biosciences Private Limited	
	V.Venkateswara Rao Partner M.No.022370	 Director Sreevatsa G. Natarajan DIN: 03250178	 Director Seemant Jauhari DIN: 03521551
			
	Place: Hyderabad Date: 04/20/16		

Particulars	As at			
	31.03.2016	31.03.2015		
Note No 2 : Share Capital				
<i>Authorised:</i>				
(i) 1,00,000 Equity Shares of Rs.10/- each [Previous period - 1,00,000 Equity Shares of Rs.10/- each]	1,00,000	1,00,000		
(ii) 0.0001% 20,00,000 Non-Convertible Redeemable Preference Shares of Rs.10/- each [Previous period - 0.0001% 20,00,000 Non-Convertible Redeemable Preference Shares of Rs.10/- each]	20,00,000	20,00,000		
	21,00,000	21,00,000		
<i>Issued, Subscribed and Fully Paid:</i>				
14,286 Equity Shares of Rs.10/- each [Previous period -14,286 Equity Shares of Rs.10/- each]	142,860	142,860		
0.0001% 20,00,000 Non-Convertible Redeemable Preference Shares of Rs.10/- each [Previous period -0.0001% 10,00,000 Non-Convertible Redeemable Preference Shares of Rs.10/- each]	20,00,000	20,00,000		
	20,142,860	20,142,860		
2.a. Reconciliation of no.of shares Outstanding				
(i) Equity Shares				
Shares at the beginning of the year	14,286	14,286		
Shares issued during the year	-	-		
Shares outstanding at the end of the year	14,286	14,286		
(ii) Preference Shares				
Shares at the beginning of the year	2,00,000	1,00,000		
Shares issued during the year	-	1,00,000		
Shares outstanding at the end of the year	2,00,000	2,00,000		
2.b. Terms / Rights attached:				
The Company has two classes of shares viz Equity shares &-Preference shares. Equity shares have a face value of Rs 10/- each entitled to one vote per share. Preference shares have a face value of Rs 10/-each and do not carry any voting rights.				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
2.c. Shares held by Holding Company/Subsidiaries:				
	As at 31.03.2016		As at 31.03.2015	
	No.of shares Held	% holding of shares	No.of shares Held	% holding of shares
i) Holding Company (Apollo Hospitals Enterprise Limited)	10,000	70%	10,000	70%
2.d. Details of Share holders holding more than 5% shares in the Company:				
	As at 31.03.2016		As at 31.03.2015	
	No.of shares Held	% holding of shares	No.of shares Held	% holding of shares
a) Equity Shares				
i) Apollo Hospitals Enterprise Limited	10,000	70%	10,000	70%
ii) Saarum Innovations Private Limited	4,286	30%	4,286	30%
b) Preference Shares				
i) Apollo Hospitals Enterprise Limited	2,00,000	100%	2,00,000	100%



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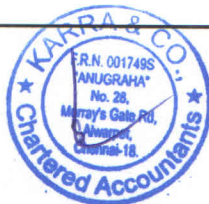
Particulars	31.03.2016	31.03.2015
Note No 3 : Reserves & Surplus		
Opening Balance	(19,607,055)	(6,349,844)
Add: Net loss after taxes for the year from the Statement of Profit and Loss.	(10,370,436)	(13,257,211)
Closing Balance	<u>(29,977,491)</u>	<u>(19,607,055)</u>
Note No 4 : Loans (Liability)		
(a) Apollo Hospitals Enterprise Limited	9,578,581	300,000
(b) Jugnu Jain	2,445,860	
	<u>12,024,441</u>	<u>300,000</u>
Note No 5: Deferred Tax Liabilities (net)		
Opening Balance	65,129	51,346
Add: for the year	(8,640)	13,783
	<u>56,489</u>	<u>65,129</u>
Note No 6: Trade Payables		
(a) Sundry Creditors for Supplies	298,419	160,141
(b) Advance from Customers	-	825,000
	<u>298,419</u>	<u>985,141</u>
Note No 7: Other Current Liabilities :		
a) Others Payables		
TDS	233,647	238,894
Service Tax	20,397	11,124
LTA	-	-
RENT PAYABLE	1,233,360	-
Professional Charges	-	48,600
Professional Tax	1,750	24,550
PF Payable	34,938	-
Audit Fees	51,525	44,944
Salaries	798,222	845,456
Travel Expenses Payable	195,811	-
Others	72,787	-
	<u>2,642,437</u>	<u>1,213,568</u>
Note No 9: Trade receivables (Unsecured , Considered good)		
a) Outstanding for a period exceeding Six months	6,257	-
b) Outstanding for a period less than Six months	330,270	571,724
	<u>336,527</u>	<u>571,724</u>
Note No 10: Cash and Cash Equivalents		
a) Cash in hand	-	10,000
b) Cash at Bank in Current Account	1,856,689	1,447,436
	<u>1,856,689</u>	<u>1,457,436</u>
Note No 11 : Short Term Loans and Advances		
a) Other Advances	30,000	30,000
b) Salary Advance	-	-
c) Prepaid Expenses- Unsecured, considered good	18,115	33,708
	<u>48,115</u>	<u>63,708</u>
Note No 12: Other Current Assets		
a) Saarum Innovations Private Limited	11,236	11,236
b) Saarum Sciences Pvt Ltd	1,986,769	
c) AHERF	45,345	
d) TDS Receivable	192,870	208,495
	<u>2,236,220</u>	<u>219,731</u>



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Particulars	31.03.2016	31.03.2015
Note - 13 : Revenue from Operations :		
Sale of Services :		
Testing Receipts	1,777,650	1,372,950
Research Income	3,920,127	750,000
	5,697,777	2,122,950
Note No- 14 : Other Income		
Service Tax Collected	-	74,778
Other Income	249,712	
	249,712	74,778
Note No-15 : Employee benefit Expense :		
a) Salaries and Wages	9,453,584	8,760,072
b) Staff welfare Expenses	8,223	5,924
c) PF Employeeer Contribution	283,089	-
d) Medical Reimbursement		160,295
e) Insurance Employees	169,335	171,178
f) LTA	-	192,845
	9,914,231	9,290,314
Note No - 16 : Finance Costs :		
a) Bank Charges	604	613
b) Interest on Delayed Tax Payments	12,486	-
c) Interest on Unsecured Loans	738,268	
	751,358	613
Note No- 17 : Other Expenses :		
a) Rent	504000	-
b) Taxes & Duties	49,000	-
c) Legal Charges	-	60,000
d) Repairs & Maintenance	39,678	109,490
e) Business Promotion Expenses	-	146,593
f) Professional & Consultancy Charges	173,054	439,675
g) Data Storage Charges	513,725	154,724
h) Payment Auditors	51,525	44,944
i) Others		
Computer Maintenance	51,298	23,907
Advertising Expenses	-	-
Director Sitting Fees	-	8,000
Seminars & Conferences	10,000	15,114
Service Tax Paid	-	74,778
SOFTWARE AND LICENSES	274,490	-
Miscellaneous Expenses	1123246.97	851959
	3,662,648	2,486,941

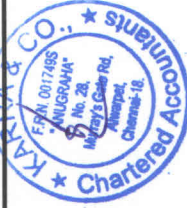


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Note No 8 : Fixed Assets & Depreciation FY 2015-16

Description	Gross Block		Depreciation		Net Block	
	As at 1-Apr-15	As at 31-Mar-16 Additions (Deletions)	upto 1-Apr-15 for the Period	upto 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
Computers	706,076	77,080	260,479	475,897	307,259	445,597
Equipment	238,793	39,000	26,284	50,805	226,988	212,509
Furniture & Fixtures	135,250	64,000	6,313	23,895	175,355	128,937
Total	1,080,119	180,080	293,076	550,596	709,602	787,043



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Sapien Biosciences Private Limited

Notes Forming Part of Financial Statements for the year ended 31st March 2016

Note No 1: Significant Accounting Policies

a) Basis of Preparation of Financial Statements:

The Financial Statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (GAAP) and comply with the mandatory Accounting Standards as specified in the Companies (Accounting Standards) Rules 2006 (Rules), other pronouncements of the Institute of Chartered Accountants of India (ICAI) to the extent applicable.

b) Use of Estimates:

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and contingent liabilities as on the date of the financial statements and the reported amounts of income and expense during the period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) Fixed Assets & Depreciation:

Fixed Assets are shown at historical cost. Historical cost is inclusive of incidental expenses incurred in bringing the asset to its working condition for its intended use. Depreciation on fixed assets is charged at the rates and in the manner specified in Schedule II of the Companies Act, 2013.

The useful life of the Assets are as under:

S No.	Nature of the Asset	Useful Life
1.	Computers	
	a. Servers & Networks	6 years
	b. End user Devices, such as, desktops, laptops, etc.,	3 years
2.	Lab Equipments	10 years
3.	Furniture & Fixtures	10 years

d) Revenue Recognition:

Revenue from operations is recognized based on services provided and billed as per the terms of specific contract.

e) Taxes on Income:

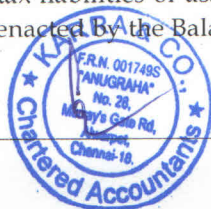
Income tax expense comprises of current tax, deferred tax.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date.



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Sapien Biosciences Private Limited

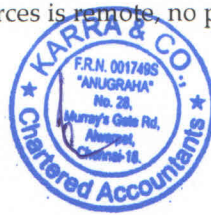
Notes Forming Part of Financial Statements for the year ended 31st March 2016

f) 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.

g) Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of past obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.



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Sapien Biosciences Private Limited

Notes Forming Part of Financial Statements for the year ended 31st March 2016

Note No. 19 : Additional information to the financial statements:

	As at 31.03.2016	As at 31.03.2015
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:	Nil	Nil
g) Disclosure under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :	Nil	Nil

h) Auditors' Remuneration:

Particulars	Year ended 31 st March, 2016 Amount Rs.	Period ended 31 st March, 2015 Amount Rs.
Audit Fee	45,000	40,000
Reimbursement of Service Tax	6,525	4,944
Total	51,525	44,944

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

j)

Disclosure as per AS- 18

	Holding Company		Key Managerial Personnel	
	31st March 2015	31st March 2016	31st March 2015	31st March 2016
Purchases of goods	₹ -	₹ -	₹ -	₹ -
Sale of goods	₹ -	₹ -	₹ -	₹ -
Purchase of fixed assets	₹ -	₹ -	₹ -	₹ -
Sale of fixed assets	₹ -	₹ -	₹ -	₹ -
Leasing or hire purchase arrangements	₹ -	₹ -	₹ -	₹ -
Transfer of research and development	₹ -	₹ -	₹ -	₹ -
Loan received from	₹ 300,000	₹ 9,578,581	₹ -	₹ 2,445,860

k) 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

V Venkateswara Rao
Partner

Membership No.: 022370



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

Sreevatsa G. Natarajan
Director

DIN: 03250178

Seemant Jauhari
Director

DIN: 03521551