



INDEPENDENT AUDITOR'S REPORT

To the Members of Sapien Biosciences Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of Sapien Biosciences Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (here in after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

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



Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows, the changes in equity and loss 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 it 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 31 March, 2017, and taken on record by the Board of Directors, none of the directors were disqualified as on 31 March, 2017, 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".

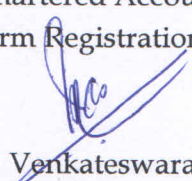


g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

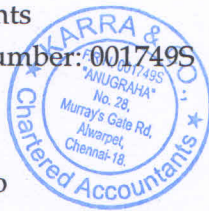
- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note - 3.12.4 to the standalone Ind AS financial statements.

For Karra & Co.,
Chartered Accountants

Firm Registration Number: 001749S


V. Venkateswara Rao
Partner

Membership Number: 22370



Place: Hyderabad

Date: 23-06-2017

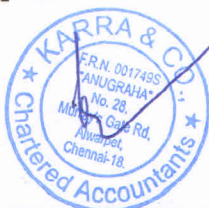
ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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 31 March, 2017. 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 does 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 31 March 2017. There are no undisputed amounts payable in respect of income tax, cess and other statutory dues which are outstanding as at 31 March, 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues 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.

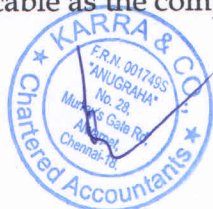
viii) There were no borrowings from the financial institutions, bank, Government or from the debenture holders. Hence the question of disclosure of Company defaulting the repayment of dues to financial institutions, bank, Government or debenture holders and disclosure of period and amount of default 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) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid the managerial remuneration complying the provisions of Sec 197 the companies act.

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 given to us and based on our examination of the records of the Company, the Company has made preferential allotment of Non - Cumulative redeemable Preference shares 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 : 23-06-2017

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")

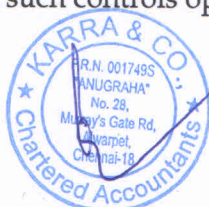
We have audited the internal financial controls over financial reporting of **Sapien Biosciences Private Limited** ("the Company") as of 31 March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 standalone Ind AS 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 31 March, 2017, 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 : 23-06-2017

Sapien Biosciences Private Limited
Balance Sheet as at March 31, 2017
(All amounts are in Rs unless otherwise stated)

Particulars	Sch Ref	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	493,419	709,602	787,043
(b) Financial Assets		-	-	-
(c) Deferred tax assets (net)		-	-	-
(d) Other non-current assets	5	11,236	11,236	11,236
Total Non - Current Assets		504,655	720,838	798,279
Current assets				
(a) Financial Assets		-	-	-
(i) Trade receivables (Net of Provision)	6	1,402,225	330,270	571,724
(ii) Cash and cash equivalents	7	1,456,724	1,856,689	1,457,436
(iii) Loans & Advances	8	30,000	48,115	63,708
(b) Current Tax Assets (Net)		-	-	-
(c) Other current assets	9	4,220,120	2,231,242	208,495
Total Current Assets		7,109,069	4,466,316	2,301,363
Total Assets		7,613,725	5,187,154	3,099,642
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital				
Share Capital		142,860	142,860	142,860
Share application money pending allotment		-	-	-
(b) Other Equity	10	-33,199,302	-29,977,491	-19,607,055
Total Equity		-33,056,442	-29,834,631	-19,464,195
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
Borrowings measured at amortised cost	11	5,360,000	12,024,441	300,000
Redeemable non Cumulative Preference share capital	12	26,000,000	20,000,000	20,000,000
(b) Provisions		-	-	-
(c) Deferred tax liabilities		30,283	56,489	65,129
Total Non - Current Liabilities		31,390,283	32,080,930	20,365,129
Current liabilities				
(a) Financial Liabilities				
Trade payables measured at amortised cost	13	338,491	298,419	160,141
(b) Provisions		-	-	-
(c) Current Tax Liabilities (Net)		-	-	-
(d) Retirement Benefit Obligation		-	-	-
(e) Other current liabilities	14	8,941,393	2,642,437	2,038,568
Total Current Liabilities		9,279,883	2,940,856	2,198,709
Total Liabilities		40,670,166	35,021,786	22,563,838
Total Equity and Liabilities		7,613,725	5,187,154	3,099,642

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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: 0017498

V Venkateswara Rao
Partner
Membership No.: 022370

Place: Hyderabad

Date: 23-06-2017



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

JUGNU JAIN

Director

Place: Hyd
Date: 23/06/17

Director

[Signature]

Sapien Biosciences Private Limited
Statement of Profit and Loss for the year ended 31st March, 2017

(All amounts are in Rs unless otherwise stated)

Particulars	Sch Ref	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Revenue from Operations	15	10,335,233	5,697,777
Other Income	16	212,508	249,712
Total Income		10,547,741	5,947,489
Expenses			
Cost of materials consumed	17	505,529	1,740,807
Cost of Services		-	-
Changes in stock of finished goods, work-in-progress and stock-in-trade		-	-
Employee benefit expense	18	7,965,988	9,914,231
Finance costs	19	1,138,089	751,358
Depreciation and amortisation expense	20	216,185	257,521
Impairment expenses/losses		-	-
Other expenses	21	3,969,967	3,662,648
Total Expenses		13,795,758	16,326,566
Profit/(loss) before tax		(3,248,017)	(10,379,076)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(26,206)	(8,640)
Profit/(loss) for the year		(3,221,811)	(10,370,436)
Total Other Comprehensive Income			-
Total Comprehensive Income for the Year		-	-

Earnings per equity share :			
Basic (in Rs.)		(225.52)	(725.92)
Diluted (in Rs.)		(225.52)	(725.92)

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

V. Venkateswara Rao
Partner
Membership No.: 022370

Place: Hyderabad

Date: 23-06-2017



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

Jugnu Jain
Director

Director

Director

Place: Hyd

Date: 23/06/17

Sapien Biosciences Private Limited

(CIN:U73100TG2012PTC080254)

Cash Flow Statement for the Year Ended 31st March, 2017

(All Amounts in Indian Rupees)

Sno	Particulars	As at 31 March 2017	As at 31 March 2016
A)	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before tax and extraordinary items	(3,221,811)	(10,370,436)
	Adjustment for:		
	Depreciation and Amortisation expenses	216,185	257,521
	Interest and Finance charges		
	Operating Profit Before Working Capital Changes	(3,005,626)	(10,112,916)
	Changes in Working Capital		
	(Increase)/Decrease in Trade Receivables	(1,071,955)	241,454
	(Increase)/Decrease in Short Term Loans & Advances	18,115	15,593
	Increase/(Decrease) in Trade Payables	40,072	138,278
	Increase/(Decrease) in Other Current Liabilities	6,298,956	603,869
	(Increase)/Decrease in Other Current Assets	(1,988,879)	(2,022,747)
	Cash Generated from Operations	290,682	(11,136,469)
	Direct Taxes Paid	(26,206)	(8,640)
	Net Cash Flow from Operating Activities	264,477	(11,145,109)
B)	CASH FLOW FROM INVESTING ACTIVITIES:		
	Inflow/(Outflow)		
	Purchase of Fixed Assets	-	(180,080)
	Movement in Loans and Advances	-	-
	Proceeds from sale of Fixed Assets	-	-
	(Increase) / Decrease in Non-current Assets	-	-
	Net Cash Flow from Investing Activities	-	(180,080)
C)	CASH FLOW FROM FINANCING ACTIVITIES:		
	Inflow / (Outflow)		
	Proceeds from Long Term Borrowings (Net)	(6,664,441)	11,724,441
	Proceeds from Short Term Borrowings	-	-
	Interest Paid		
	Increase / (Decrease) in share capital & premium	6,000,000	-
	Net Cash Flow from Financing Activities	(664,441)	11,724,441
D)	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS:		
	Cash and Cash Equivalents at the beginning of the year	1,856,689	1,457,436
	Cash and Cash Equivalents at the end of the year	1,456,724	1,856,689
		(399,965)	399,252
	Notes :		
	1. Cash and cash equivalent includes		
	Cash in hand	-	-
	Balance with Banks in Current Accounts	1,456,724	1,856,689
<p>The above cash flows should be read in conjunction with the accompanying notes.</p> <p>As per our Report of even date For Karra and Co., Chartered Accountants Firm Regn: 001749S</p> <p>V.Venkateswara Rao Partner M.No.022370</p> <p>Place: Hyderabad Date: 23-06-2017</p> <p>For and on behalf of the Board of Directors of Sapien Biosciences Private Limited</p> <p>Director 23/06/17</p> <p>Director [Signature]</p>			

Sapien Biosciences Private Limited

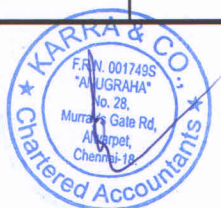
Statement of Changes in Equity for the year ended 31 March 2017

(All amounts are in Rs unless otherwise stated)

Share capital	Notes	Amount
As at 31st March 2015		
Equity Share Capital		142,860
Total		142,860
As at 31st March 2016		
Equity Share Capital		142,860
Total		142,860
As at 31st March 2017		
Equity Share Capital		142,860
Total		142,860

Statement of Changes in Other Equity for the year ended 31 March 2017

Other Equity	Note No.	Amount	Amount
As at 31st March 2015			
General Reserve		(6,349,844)	
Surplus in P & L		(13,257,211)	
Total			(19,607,055)
As at 31st March 2016			
General Reserve		(19,607,055)	
Surplus in P & L		(10,370,436)	
Total			(29,977,491)
As at 31st March 2017			
General Reserve		(29,977,491)	
Surplus in P & L		(3,221,811)	
Total			(33,199,302)



Sapien Biosciences Private Limited
Notes to the financial statements for the year ended March 31, 2017
(Amounts in INR unless otherwise stated)

Share Capital

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Authorised Share capital :			
Fully paid equity shares of Re.10 each	1,000,000	1,000,000	1,000,000
Fully paid Preference share of Rs.10 each	26,000,000	20,000,000	20,000,000
Issued share capital comprises:			
Fully paid equity shares of Re.10 each	142,860	142,860	142,860
9% Fully paid Non-Cumulative Redeemable Preference shares of Re.10 each	26,000,000	-	-
0.0001% Fully paid Non-Cumulative Redeemable Preference share of Rs.10 each	-	20,000,000	20,000,000
	<u>26,142,860</u>	<u>20,142,860</u>	<u>20,142,860</u>

Fully paid equity shares

	Number of shares	Share capital (Amount)
Balance at April 1, 2015	14,286	142,860
Issue during the year	-	-
Balance at March 31, 2016	14,286	142,860
issue of shares during the year	-	-
Balance at March 31, 2017	<u>14,286</u>	<u>142,860</u>

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 April 1, 2015		
Equity Shares		
Apollo Hospitals Enterprise Limited	10,000	70.00%
Sarrum Innovations Private Limited	4,286	30.00%
As at March 31, 2016		
Equity Shares		
Apollo Hospitals Enterprise Limited	10,000	70.00%
Sarrum Innovations Private Limited	4,286	30.00%
As at March 31, 2017		
Equity Shares		
Apollo Hospitals Enterprise Limited	10,000	70.00%
Sarrum Innovations Private Limited	4,286	30.00%



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.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 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 on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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	6 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.

3.7 Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.8 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).

3.9 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.

3.10 Investments in equity instruments

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

3.11 Financial liabilities and equity instruments

3.11.1 Classification as debt or equity

Debt and equity instruments issued by a Company entity 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.

3.11.2 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 entity 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.

3.11.3 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.

3.11.4 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.



3.11.5 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 18.

3.11.6 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.

3.12 First-time adoption – mandatory exceptions, optional exemptions

3.12.1 Overall principle

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

3.12.2 Deemed cost for property, plant and equipment, investment property, and intangible assets

For transition to Ind AS, the parent has elected to adopt fair value of the buildings, plant and equipment recognised as of April 1, 2015 as the deemed cost as of the transition date. For the other assets, it has applied Ind AS 16 retrospectively. The subsidiaries and other equity accounted entities within the Company have elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Accordingly, certain pre-operative costs and other ineligible items have been charged off upon transition.

3.12.3 Determining whether an arrangement contains a lease

The Company has applied Ind AS 17 determining whether an arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

3.12.4 Specified Bank Notes

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the table below.

Particulars	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	12x1000		
	1x500	0	12500
(+) Permitted Receipts	0	0	0
(-) Permitted Payments	0	0	0
(-) Amount Deposited in Banks	12x1000		
	1x500	0	12500
Closing Cash in hand as on 31.12.2016	0	0	0



3.12.5 Additional information to the financial statements

		As at 31.03.2017	As at 31.03.2016
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)	Litigations which affect the financial position of the company	Nil	Nil

3.12.6 Auditors' Remuneration:

Particulars	Year ended 31 st March, 2017	Period ended 31 st March, 2016
	Amount Rs.	Amount Rs.
Audit Fee	51525	45,000
Reimbursement of Service Tax	-	4,944
Total	51525	44,944

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

3.12.8 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

[Signature]
Director
Hyderabad
23/06/17

[Signature]
Director