

A.R. Murthy & Co.,
CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To The Members of
A G RESEARCH PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of A G Research Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2015, and the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the Accounting Standards referred to in Section 133 of Companies Act,2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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 management, 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.

: 2 :

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2015; and
- (b) In the case of the Statement of profit and loss, of the 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, 2015 ("the order") issued by the Central Government of India in terms of Section 143 of the Act, 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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from the examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
 - c. The Balance Sheet, and the statement of Profit and Loss dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, comply with the Accounting Standards referred to in Section 133 of Companies Act, 2013; and
 - e. On the basis of the written representations received from the directors as on 31st March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(7) of the Act.

For A.R.Murthy & Co.,
Chartered Accountant,

A.Ramachandramurthy,
Proprietor
M.No.-028480

Place: Hyderabad

Date: 15th April 2015.

STATEMENT REFERRED TO IN THE AUDIT REPORT TO THE MEMBERS OF A G RESEARCH
PRIVATE LTD.FOR THE YEAR ENDED ON 31.3.2015

1. (a) The company has maintained proper records to show full particulars including quantitative details and situation in respect of the assets.

(b) The fixed assets of the company have been broadly verified during the year by the management and we are informed that no material discrepancies were noticed on such verification.

2. a) During the year the company has not taken unsecured loans from parties covered in the register maintained under section 189 of the Act. The company has not granted any loans, secured or unsecured, to the parties coming under the provisions of section 189 of the Companies Act, 2013.

3. In our opinion and according to the information given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business for purchase of fixed assets and payment for expenses, During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.

4. As per the information and explanations furnished to us, the company has not accepted any deposits from the Public during the year to which the directives issued by the Reserve Bank of India and the provisions of the Section 73 to 76 of the Act and the Rules framed there under apply.

5. In our opinion, the company does have adequate internal audit system commensurate with the size and nature of its business.

6. We are informed that there are no dues in respect of tax/excise duty/cess which have not been deposited on account of any dispute.

7. As informed by the management that no fraud on or by the company has been noticed.

8. The company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.

9. The other particulars of this order are not applicable to the company.

For A.R.Murthy & Co.,
Chartered Accountants,

A.Ramachandramurthy,
Proprietor.

A G RESEARCH PRIVATE LIMITED**BALANCE SHEET AS AT 31.3.2015**

Note No.

Figures as at the end
of current reporting
period**I. EQUITY AND LIABILITIES****(1) Share Holder Funds**

(a) Share Capital	1	41,338,500.00
(b) Reserves and surplus	2	-2,358,748.92

38,979,751.08**(2) Share application money pending allotment****(3) Non-current liabilities**

(a) Long Term borrowings		-
(b) Differed tax liability (Net)		-
(c) Other Long term liabilities		-
(d) Long-term provisions		-

0.00**(4) Current liabilities**

(a) Short-term borrowings	3	11,848,654.32
(b) Trade payables		-
(c) Other current liabilities	4	1,183,483.00
(d) Short-term provisions		0.00

13,032,137.32**Total** **52,011,888.40****II. ASSETS****(1) Non Current Assets**

(a) Fixed Assets		
(i) Tangible Assets	5	252110.00
(ii) Intangible assets		-
(iii) Capital work in progress		-
(iv) Intangible assets under development		-
(b) Non Current Investments		-
(c) Deferred Tax Assets (Net)		-
(d) Long Term Loans and Advances		-
(e) Other Non Current Assets	6	41,200.00

293,310.00**(2) Current Assets**

(a) Current Investments		-
(b) Inventories		-
(c) Trade receivables		-
(d) Cash and Cash equivalents	7	41,023,048.90
(e) Short term loans and advances	8	10,695,529.50
(f) Other current assets		-

51,718,578.40**Total** **52,011,888.40****Other Notes**

9

Subject to our report of even date

For **A.R.Murthy & Co.**,
Chartered Accountants,Pranav Chirayu Amin,
DirectorA.Ramachandramurthy,
ProprietorDr. Swaroop Kumar VVS,
Director

NOTES ON ACCOUNTS FOR THE YEAR ENDED ON 31.3.2015

NOTES

**As on
31.03.2015**

1 SHARE CAPITAL

AUTHORISED CAPITAL

45,00,000 Equity shares of Rs. 10/- each

45,000,000.00

ISSUED, SUBSCRIBED AND FULLY PAIDUP CAPITAL

41,33,850 Equity Shares of Rs. 10/- each fully paid

41,338,500.00

41,338,500.00

The company has only one class of shares referred to as Equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share.

Reconciliation of the number of shares

No. of Shares

Outstanding at the beginning of the year

0.00

Outstanding at the end of the year

4,133,850.00

Shares held by each holder holding more than 5 per cent. shares specifying the number of shares held

Alembic Global Holding SA

41,238,500.00

(41,23,850 no. equity shares of Rs.10 each)

2 RESERVES AND SURPLUS

Balance loss as per Balance Sheet

0.00

Less : Loss for the year

-2,358,748.92

-2,358,748.92

3 SHORT TERM BORROWINGS

(Secured and payable on Demand)-Banks

HDFC- SOD - 56200005174152

11848654.32

(Secured by companies own deposits with the Bank)

11848654.32

4 Other Current Liabilities (As per Schedule)

Liabilities for Expenses

765,523.00

Liabilities for Others

417,960.00

Total

1,183,483.00

ASSETS**5 Fixed Assets**

Computers	224762.00
Mobile Phone	19100.00
Printer	8248.00
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	252110.00

6 Other Non Current Assets

Preliminary expences (to the extent not written off or adjusted)	41200.00
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	41200.00

7 Cash and Cash equivalents

Cash-in-hand	0.00
Bank Accounts	0.00
Deposits	
Fixed Deposit with HDFC Bank	40,000,000.00
Intrest Accrued on Fixed Deposits	1,023,048.90
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Total	41,023,048.90

8 Loans and Advances**(Unsecured and Considered good)**

Rental Deposit	9,500,954.40
Registration fee on Leeased Premises	447,100.00
Service Tax Receivable	93,556.00
TDS on Fixed Deposites	113,672.10
Prepaid Expences	540,247.00
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Total	10,695,529.50

A G RESEARCH PRIVATE LIMITED

2014-15

OTHER NOTES ON ACCOUNTS - 9

- 1 Contingent liabilities not provided for Nil.
- 2 The financial statements have been prepared under the historical cost convention in accordance with the generally accepted principles and provisions of the Companies Act, 2013
- 3 Accounting Policies followed:

Recognition of Revenue and Expenditure:

The company followed mercantile system of accounting in general. All income and expenditure recognised on accrual basis.
- 4 Creditors and Debtors are subject to confirmation.
- 5 The Company has not received the required information from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosure if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the Act have not been made.
- 6 Segment reporting (AS-17)

Since the company primarily operates in one segment - Drug Research and no income earned during the period reporting as required under Accounting standard - 17 is not furnished. There is no reportable geographical segment either.
- 7 The company has not made provision towards gratuity on the basis of actuarial valuation to be carried out in accordance with Accounting Standard 15 issued by the Institute of Chartered Accountants of India.
- 8 Earnings per share Not applicable
- 9 Related Party Transactions (AS-18)

Related party transactions under Accounting Standard 18 have not been reported as the standard is not applicable.
- 10 Previous year figures are not furnished as this is the first year of operations.
- 11 Depreciation on assets has not been provided as they were not put to use during the year.

12 Remuneration to Directors	Nil
13 Turnover - Hire charges received	Nil
14 Opening and Closing stocks	Not applicable
15 Imported and Indigenous Raw materials consumed	Not applicable
16 Annual Capacities	
i) Licensed Capacity	Not applicable
ii) Installed Capacity	Not applicable
17 Value of Imports on C.I.F.	Nil
18 Expenditure in Foreign Currency	Nil

In authentication of notes to financial statements:

For A.R.Murty & Co.,
Chartered Accountants,

Pranav Chirayu Amin,
Director.

A.Ramachandramurthy,
Proprietor.

Dr. Swaroop Kumar VVS,
Director.

A G RESEARCH PRIVATE LIMITED
SCHEDULE FOR OTHER CURRENT LIABILITES

1. CURRENT LIABILITIES & PROVISIONS

a.Liabilities for Expenses

A.R.Murthy & Co.,	45000.00
Local Conveyance Expenses Payable	36000.00
Mobile Expencess Payable	2500.00
P. Satheesh Rao	34820.00
Sai Balaji Travels	14378.00
Salaries Payables	632825.00
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	765523.00

B.Liabilities for Others

Pratiksha Trading Co	1200.00
Profession Tax Payables	800.00
Alembic Pharmaceuticals Ltd	224762.00
TDS on Professionals	84673.00
TDS on Salaries Payables	106525.00
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	417960.00

A G RESEARCH PRIVATE LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31.3.2015

	Notes	Figures for the current reporting period
INCOME		
Revenue from Operations		0.00
Other Income	10	1,136,721.00
	Total	<u>1,136,721.00</u>
EXPENSES		
Changen in Inventories		0.00
Employees benefits and expenses	11	2,193,807.00
Finance Costs	12	126,266.00
Depreciation and amortisation expenses		
Other expenses	13	1,175,396.92
	Total	<u>3,495,469.92</u>
Profit before Exceptional and Extraordinary Items and Tax		-2,358,748.92
Exceptional Items		0.00
Profit before Extraordinary Items and Tax		-2,358,748.92
Extraordinary Items		0.00
Profit before Tax		-2,358,748.92
Less: Tax expenses		
Current tax		0.00
Differred tax liability/asset		0.00
Profit after taxation		-2,358,748.92

Subject to our report of even date

For A.R.Murthy & Co.,
Chartered Accountants,

Pranav Chirayu Amin,
Director.

A.Ramachandramurthy,
Proprietor.

Dr. Swaroop Kumar VVS,
Director.

NOTES**10 OTHER INCOME**

Interest on Fixed Deposites	1,136,721.00
Total	<u>1,136,721.00</u>

11 EMPLOYEES BENEFITS AND EXPENSES

Salaries	2,193,807.00
Total	<u>2,193,807.00</u>

12 FINANCE COSTS

Interest paid on Secured Over Draft to HDFC bank	126,266.00
Total	<u>126,266.00</u>

13 OTHER EXPENSES

Bank Charges	29130.92
Halting Expenses	47326.00
Local Conveyance Expenses	146417.00
Mobile Phone Expenses	6834.00
Printing & Stationery	13937.00
Professional Charges	800662.00
Recruitment Expenses	1398.00
Re-Location Expenses	34019.00
Telephone Expenses	650.00
Travelling Expenses	40023.00
Profession Tax	5,000.00
Remuneration to Auditors	
As Auditors	40,000.00
Towards Taxation matters	10,000.00
Total	<u>1175396.92</u>

A G RESEAECH PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.3.2015

For the year
ended on
31.3.2015

A	CASH FLOW FROM OPERATING ACTIVITIES:	
	Net Profit before tax	-2,358,748.92
	Add:	
	Depreciation	0.00
	Finance cost	126,266.00
		-2,232,482.92
	Less: Interest received	1,136,721.00
	Operating profit before working capital changes	-1,095,761.92
	Adjustment for	
	Trade receivables	0.00
	Inventories	0.00
	Loans and advances and other assets	-10,736,729.50
	Trade payables and other payables	1,183,483.00
		-10,649,008.42
	Less: Income tax paid	0.00
	Net Cash from Operating activities "A"	-10,649,008.42
B	Cash flow from Investing activities	
	Purchase of fixed assets	252,110.00
	Interest received	1,136,721.00
	Net cash used in investing activities B	1,388,831.00
C	Cash Flows from Finance activities	
	Long term borrowings	0.00
	Short Term Borrowings	11,848,654.32
	Long Term Loans and advances	0.00
	Finance Cost	-126,266.00
	Share Holder Funds	41,338,500.00
	Net Cash used in Finance activities "C"	53,060,888.32
	Net (Decrease)/Increase in Cash and Cash Equivalents	41,023,048.90
	Cash and Cash equivalent in the beginning	0.00
	Cash and Cash equivalents at the end	41,023,048.90

For A.R.Murthy & Co.,
Chartered Accountants,

A.Ramachandramurthy,
Proprietor.

Pranav Chirayu Amin,
Director.

Dr. Swaroop Kumar VVS,
Director.