

Our report is an **Independent Auditor's Report**

Date :

To The Members of  
**INCOZEN THERAPEUTICS PRIVATE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Incozen Therapeutics Private Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> 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.

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## 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 31<sup>st</sup> 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 31<sup>st</sup> 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.R.Mu*

A.Ramachandramurthy,  
Proprietor  
M.No.-028480

Place: Hyderabad

Date: 25.04.2015.

STATEMENT REFERRED TO IN THE AUDIT REPORT TO THE MEMBERS OF INCOZEN  
THERAPEUTICS 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) As explained to us, physical verification of inventories has been conducted by the management during the year in respect of majority of the high value items at reasonable intervals.

(b) The procedure of physical verification of inventory followed by the Management appears to be generally reasonable and adequate in relation to the company and the nature of its business.

(c) The company is maintaining proper records of inventory and we are informed that there were no material discrepancies noticed on physical verification.

3. 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.

4. 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 inventories and fixed assets, payment for expenses, providing pharmaceutical research and development. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.

5. 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.

6. According to the records of the company, undisputed statutory dues including provident fund, sales tax, service tax and other statutory dues have generally been regularly deposited with appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.

7. 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.

8. The accumulated losses of the company at the end of the year ended 31<sup>st</sup> March, 2015 are less than 50% of net worth of the company. The company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year.

9. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to financial institutions and banks.

10. In our opinion and according to explanations given to us by the management, the company has not given any guarantee for loans taken by others from bank or financial institutions and the terms and conditions whereof are prejudicial to the interest of the company.

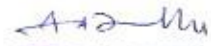
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11. Based on our audit procedures and the information given by the management, we report that the term loans raised during the year were applied the same purpose for which they were obtained.
12. As informed by the management that no fraud on or by the company has been noticed.
13. The other particulars of this order are not applicable to the company.



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



A.Ramachandramurthy,  
Proprietor.

25/4/15