



# R. MEHNDIRATTA & ASSOCIATES

CHARTERED ACCOUNTANTS

# 5095, Dalal Pura Street, Triveni Chowk, Patiala (Pb.)

Ph. : 0175-2217697, Mob. : 092185-90001, 098160-54520, 98141-04520

E-mail : ravi\_medhi@yahoo.com

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF PINNACLE LIFE SCIENCES PRIVATE LIMITED

#### Report on the financial statements

I have audited the accompanying financial statements of **PINNACLE LIFE SCIENCES PRIVATE LIMITED** ("the Company"), which comprise the Balance sheet as at 31 March 2015, the Statement of Profit and Loss, the 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, 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.

I 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 financial statements are free from material misstatement.

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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 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, of the state of affairs of the Company as at 31st March 2015, and its profit 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, 2015 issued by the Central Government of India in terms of Section 143 (11) of the Companies Act 2013, we give in the annexure a statement on the matters specified in paragraph 3 & 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 purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with 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 representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note no 24.2 of the Financial Statements
  - ii. The Company did not have any long-term contracts including derivatives 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 R. Mehndiratta & Associates**  
**Chartered Accountants**

**(R.K. Mehndiratta)**  
**Proprietor**  
**Membership No.096132**  
**FRN. 15800N**



**Place: Baddi (Camp Office)**  
**Date: 25<sup>th</sup> May, 2015**



# R. MEHNDIRATTA & ASSOCIATES

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## PINNACLE LIFE SCIENCES PRIVATE LIMITED FINANCIAL YEAR ENDED MARCH 31, 2015 ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

In the Annexure, as required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government in terms of Section 143 (11) of the Companies Act 2013, on the basis of checks, as we considered appropriate, we report on the matters specified in paragraph 3 and 4 of the said order to the extent applicable to the Company.

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The Company has phased programme of physical verification of fixed assets by which all fixed assets are verified over a period of three years. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and nature of the assets. We have been informed that no material discrepancy was noted on such physical verification. The company has purchase new plant & machinery during the year and capitalized.
- ii) The stock of inventory has been physically verified during the year by the Management at reasonable intervals, except stock lying with third parties, confirmation of such stocks with the third parties has been obtained by the Company. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records were not material; however the same have been dealt with the books of account.
- iii) The Company had taken the unsecured short term loan from holding company during the year covered in the register maintained under section 189 of the Companies Act, 2013.
  - a. In respect of aforesaid loan, the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount. The borrowers have been regular in the payment of the interest as stipulated.
  - b. There is no overdue amount of more than rupees one lakh.



- c. The Company has paid the unsecured loans to the various parties during the year covered in the register maintained under section 301 of the Act. One of the unsecured loan is write-off during the year.
- iv) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
- v) The Company has not accepted any deposits from public during the year and accordingly the provisions of section 73 to 76 of the Act, and Rules framed there under and any directive issued by the Reserve Bank of India are not applicable to the Company.
- vi) The Company has not maintained cost records as required under sub section 1 of section 148 of the Companies Act, 2013.
- vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including the Provident Fund, Employees State Insurance, Income tax, Sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess which have not been deposited on account of any dispute except the following:
- | Sr.No. | Name of the Statute  | Nature of the Dues  | Financial Year | Forum where dispute is pending                  |
|--------|----------------------|---------------------|----------------|---|
| 1      | Income Tax Act, 1961 | Income Tax Scrutiny | FY 2012-13     | Case is under the Scrutiny of Assessing Officer |
- c) In our opinion and according to the information and explanation given to us, during the year, no amount was pending to be transferred to investor education and protection fund.
- viii) The Company does not have accumulated losses as at 31st March 2015 and it has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues for loan taken from financial institutions or bank.



- x) In our opinion and according to the information and explanation given to us, the Company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are not prejudicial to the interest of the Company.
- xi) In our opinion and according to the information and explanation given to us, the term loans were applied for the purpose for which the loans were obtained.
- xii) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For R. Mehndiratta & Associates**  
**Chartered Accountants**

**(R.K. Mehndiratta)**  
**Proprietor**

**Membership No.096132**  
**FRN. 15800N**



**Place: Baddi (Camp Office)**

**Date: 25<sup>th</sup> May, 2015**



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## Pinnacle Life Sciences Private Limited

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### 1. Corporate Information

Pinnacle Life Science Private Limited ('the Company') was incorporated in January 15, 2003 as a private limited company under the Companies Act, 1956. The company is engaged in the business of Manufacturing Drugs & Pharmaceuticals.

#### 2. Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects, with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, the provisions of the companies act, 2013 (to the extent notified the Companies Act, 1956 (to the extent applicable).

The preparation of financial statements in conformity with GAAP requires that the management of the company makes, estimates and assumptions that affect amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date financial statements.

#### 3. Fixed Assets

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, acquisition and installation of fixed assets are capitalization and added to the respective assets. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

#### 4. Depreciation

Depreciation on fixed assets is provided on written down value method in accordance with and in the manner specified Schedule XIV to the Companies Act, 1956.

#### 5. Valuation of Inventories

Raw material & packing material are valued at purchase price on FIFO basis.  
Work in process is valued at cost of material plus proportionate overheads.  
Finished goods are valued at cost or net realized value whichever is less.



## 6. Revenue Recognition

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

Revenues from sale of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

Other Income is recognized on accrual basis and as when right to receive arises

Insurance claims are accounted for in the year of receipt of the final claim

## 7. Borrowing Cost

Borrowing cost includes interest. Such costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they in which they are incurred.

## 8. Earnings Per Share

Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

## 9. Impairment of Assets

The assets is treated as impaired when the carrying cost of an asset exceed its recoverable amount. After impairment, depreciation is provided on the revised carrying cost of the assets over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

## 10. Investment

Investments, that are readily realizable and intended to be held for not more than one are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined whereas Long term investments are carried at historical cost. However, provision for diminution in values of investment otherthan temporary is provided for.





### 11. Employee Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

The liability in respect of the defined benefits in the form of gratuity, leave encashment, post retirement medical scheme is provided based on the percentages notified by Government Guidelines.

### 12. Taxes on Income

Tax expense comprises current and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax Laws used to compute the amounts are those that are enacted, at the reporting date.

Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

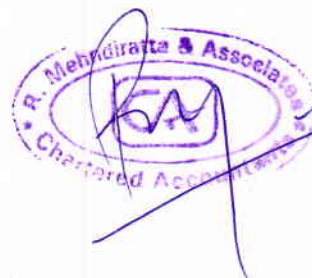
The carrying amount of deferred tax assets are reviewed at each reporting date and are adjusted for its appropriateness. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

### 13. Foreign Exchange Transactions

Transactions denominated in foreign currency are normally recorded at the exchange rates prevailing at the time of the transactions. Monetary items denominated in foreign currencies at the year end are translated at the yearend exchange rates. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the statement of profit & loss account

### 14. Provisions, Contingent Liabilities & Contingent Assets

A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the obligation. Provisions are determined based on the best estimate required to settle the obligation on the balance sheet date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



# Pinnacle Life Science Private Limited

BALANCE SHEET AS AT 31ST MARCH, 2015

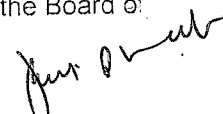
Particulars	Note No		As at 31st March, 2015	As at 31st March, 2014
<b>EQUITIES AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Share Capital	1	7,78,27,500		1,72,95,000
Reserves & Surplus	2	3,60,77,858	<b>11,39,05,358</b>	(1,90,22,776)
				(17,27,776)
<b>Non current liabilities</b>				
Long term borrowings	3	12,00,00,000		2,78,26,923
Deferred tax liability (Net)		61,080		61,080
Share Application Money pending allotment				12,00,000
Other long term liability	4	19,74,788	<b>12,20,35,868</b>	2,90,88,003
<b>Current liabilities</b>				
Short term borrowings	5	1,16,13,618		3,03,09,506
Trade payables	6	18,94,51,516		2,66,21,318
Other current liabilities	7	33,38,170		1,02,91,672
Short term provisions	8	32,31,568	<b>20,76,34,872</b>	6,72,22,496
<b>TOTAL</b>			<b>44,35,76,098</b>	<b>9,45,82,723</b>
<b>ASSETS</b>				
<b>Non current assets</b>				
Fixed assets	9	16,98,02,606		3,34,39,301
Capital Work in Progress		3,02,35,764		
Non current investment	10	25,000		
Long term loans & advances	11	2,99,96,504	<b>23,00,59,873</b>	3,34,39,301
<b>Current assets</b>				
Current Investment				2,53,89,039
Inventories	12	10,97,34,371		2,17,99,702
Trade receivable	13	9,09,02,828		2,10,548
Cash and cash equivalents	14	15,03,758		1,18,34,930
Short-terms loans and advances	15	19,75,209		19,09,203
Other current assets	16	94,00,059	<b>21,35,16,224</b>	6,11,43,422
<b>TOTAL</b>			<b>44,35,76,098</b>	<b>9,45,82,723</b>

AS PER OUR REPORT OF EVEN DATE.  
For R. MEHNDIRATTA & ASSOCIATES  
CHARTERED ACCOUNTANTS

R. K. Mehndiratta  
Proprietor  
M. No.: 096132  
FRN:15800N  
PLACE: Baddi  
DATE: 14.05.2015

For and on Behalf of the Board of:

  
Director


  
Director

# Pinnacle Life Science Private Limited

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Particulars	Note No	For the Year Ended	
			31st-Mar-2015	31st Mar 2014
1	Income from Operations			
	(a) Gross Sales / Income from Operations		12,30,48,037	2,95,36,639
	Less : Excise Duty & Sales Tax		17,80,125	
	Net Sales / Income from Operations		12,12,67,912	2,95,36,639
	(b) Other Operating Income	17	1,16,28,528	
	Total income form operations (net)		° 13,28,96,439	2,95,36,639
2	Expenditure			
	(a).Cost of materials consumed	18	15,40,77,861	1,33,44,404.00
	(b).Purchase of stock-in-trade		-	
	(c).Changes in inventories of finished goods, work-in-progress and stock-in-trade		(3,55,71,115)	22,87,616.00
	(d). Employee benefits expense	19	72,69,935	22,22,668.00
	(e). Depreciation and amortisation expense	20	55,20,341	44,23,743.00
	(f). Other expenses	21	2,87,53,311	36,47,982.00
	Total expenses		16,00,50,333	2,59,26,413
3	Profit from Operations before Other Income, finance costs and exceptional items		(2,71,53,894)	36,10,226
4	Other Income			
5	Profit from ordinary activities before finance cost and exceptional items		(2,71,53,894)	36,10,226
6	Finance costs (interest)	22	53,29,242	86,12,443.00
7	Profit from ordinary activities after finance cost but before Exceptional Items		(3,24,83,136)	(50,02,217)
8	Exceptional Items -			
9	Profit from Ordinary Activities before Tax		(3,24,83,136)	(50,02,217)
10	Tax Expenses (Includes)		-	
11	Net profit for the period		(3,24,83,136)	(50,02,217)

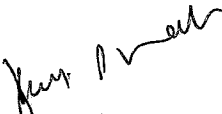
AS PER OUR REPORT OF EVEN DATE.

For R. MEHNDIRATTA & ASSOCIATES  
  
 CHARTERED ACCOUNTANTS  
 Chartered Accountants

R. K. Mehndiratta  
 Proprietor  
 M. No.: 096132  
 FRN:15800N  
 PLACE : Baddi  
 DATE: 14.05.2015

For and on Behalf of the Board of Directors

  
 Director

  
 Director

**Pinnacle Life Science Private Limited**  
NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

**NOTE NO 1 - SHARE CAPITAL**

	As at 31st Mar' 2015	As at 31st Mar, 2014
<b>AUTHORISED :</b>		
1,00,00,000 Equity shares of Rs. 10/- each	10,00,00,000	1,72,95,000
	10,00,00,000	1,72,95,000

**ISSUED, SUBSCRIBED & PAID-UP :**  
7782750 'Equity Shares of Rs. 10/- each Issued ,subscribed and fully paid up

<b>Reconciliation</b>	Numbers	Value
Opening outstanding shares	17,29,500	1,72,95,000
Add Issued During the Year	60,53,250	6,05,32,500
Closing outstanding shares	77,82,750	7,78,27,500

Note: Company has issued 6053250 Right Shares during the year

**Disclosures of shares held by each shareholders more than 5% shares**

	Mar-2015	31st Mar 2014	Mar' 2015	31st Mar 2014
<b>Name of holder</b>	<b>No of Shares</b>		<b>% of Holding</b>	
Mr Kailash Sharma	NIL	534300	NIL	31%
Mr Jagdish Ram	NIL	100000	NIL	6%
Mr Opinder Singh	NIL	150000	NIL	9%
Mr Avinash Saxena	NIL	95500	NIL	6%
Aarti Drugs Limited	7782750	NIL	100%	NIL

**NOTE NO 2 RESERVES & SURPLUS**

<b>Particulars</b>	As on 1st April 2014	Addition During the year	Appropriation During the year	As at 31st Mar' 2015
PROFIT & LOSS APPORPATION A/C BADDI	(1,90,22,776)	(3,24,83,136)		(5,15,05,911)
Revaluation Reserve		8,89,62,572	13,78,813	8,75,83,759
				-
<b>TOTAL Reserves - 31/12/2015</b>	(1,90,22,776)	5,64,79,436	13,78,813	3,60,77,848
Previous years figures 31-03-2014	(1,40,20,557)	(50,02,218)		(1,90,22,776)



## Pinnacle Life Science Private Limited

### NOTE NO 3 - LONG TERM BORROWINGS

	As at 31st Mar' 2015	As at 31st Mar' 2014
Term loans		
Secured borrowings		
From Scheduled Banks	12,00,00,000	6169698
Unsecured Loan -Others	-	21657225
<b>TOTAL</b>	<b>12,00,00,000</b>	<b>2,78,26,923</b>

### NOTE NO 4 - OTHER LONG TERM LIABILITY

Trade payables of Project		
Due to micro enterprises and small enterprises		
Due to others	19,74,788	-
Other - Deferred Payment Liability		
- Trade Deposits		
<b>TOTAL</b>	<b>19,74,788</b>	<b>-</b>

### NOTE NO 5 - SHORT TERM BORROWINGS

Loans repayable on demand		
From Banks		
Secured Borrowings	1,16,13,618	30309506
<b>TOTAL</b>	<b>1,16,13,618</b>	<b>3,03,09,506</b>

### NOTE NO 6 - TRADE PAYABLE

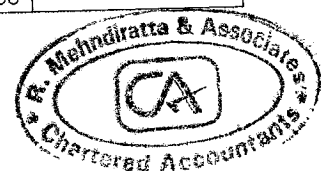
Trade payables of Goods, Services & Expenses		
Due to micro enterprises and small enterprises	18,94,51,516	15615010
Due to others	-	11006308
Advance from Customer & Others		
<b>TOTAL</b>	<b>18,94,51,516</b>	<b>2,66,21,318</b>

### NOTE NO 7 - OTHER CURRENT LIABILITY

Other Payable -	33,38,170	9,08,794
Long term borrowing repayable in within 12 months	-	93,82,878
<b>TOTAL</b>	<b>33,38,170</b>	<b>1,02,91,672</b>

### NOTE NO 8 - SHORT TERM PROVISION

Provision for Employee Liability	23,99,031	-
Other Short Term Provisions - Goods & expenses	8,32,537	-
<b>TOTAL</b>	<b>32,31,568</b>	<b>-</b>



**PINNACLE LIFE SCIENCE PRIVATE LIMITED**

**Note 9 : Fixed assets**

Sl. No.	Particulars	GROSS BLOCK (AT COST/BOOK VALUE)				Depreciation				NET BLOCK	
		As at 1-Apr-14	Additions	Deduction / Adjustments	As at 31-Mar-15	As on 01 April, 14	Depreciation for Current Year	Deduction / Adjustments	Upto 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
	( i ) Tangible assets										
1	LAND	2,36,25,000	-	-	2,36,25,000					2,36,25,000	2,36,25,000
2	BUILDING	8,45,50,101	40,73,487	-	8,86,23,588	96,50,101	13,16,225	-	1,09,66,326	7,76,57,262	7,49,00,000
3	PLANT & MACHINERY	3,29,29,150	3,65,18,585	-	6,94,47,735	1,27,51,150	14,92,015	-	1,42,43,165	5,52,04,570	2,01,78,000
4	ELECTRIC INSTALLATION	40,21,816	21,98,182	-	62,19,998	14,56,816	2,38,159	-	16,94,975	45,25,023	25,65,000
5	FURNITURE & FIXTURES	9,35,221	3,68,745	-	13,03,966	3,58,059	47,295	-	4,05,355	8,98,611	5,77,162
6	GENERATOR SET	13,83,199	-	-	13,83,199	6,29,199	37,700	-	6,66,899	7,16,300	7,54,000
7	COMPUTERS	2,68,317	4,75,974	-	7,44,291	97,771	1,07,753	-	2,05,524	5,38,767	1,70,546
8	LAB EQUIPMENTS	4,72,163	4,82,418	-	9,54,581	2,13,163	37,071	-	2,50,234	7,04,347	2,59,000
9	AIR HANDLING UNITS	78,40,617	7,53,305	-	85,93,922	25,55,143	3,01,939	-	28,57,082	57,36,840	52,85,474
10	FIRE FIGHTING EQUIPMENTS	2,69,776	-	-	2,69,776	73,580	9,810	-	83,390	1,86,386	1,96,196
11	MISCELLANEOUS ASSETS	10,000	-	-	10,000	0	500	-	500	9,500	10,000
	<b>Total</b>	<b>15,63,05,360</b>	<b>4,48,70,696</b>	<b>-</b>	<b>20,11,76,056</b>	<b>2,77,84,982</b>	<b>35,88,468</b>	<b>-</b>	<b>3,13,73,450</b>	<b>16,98,02,606</b>	<b>12,85,20,378</b>



## Pinnacle Life Science Private Limited

### NOTE NO 10 - INVESTMENT

	As at 31st Mar' 2015	As at 31st Mar' 2014
Shares in Saraswat Co op Bank (Qty- 2500 of Rs.100 each)	25000	-
<b>TOTAL</b>	<b>25000</b>	<b>-</b>

### NOTE NO 11 - LONG TERM LOANS & ADVANCES

Unsecured - consider good Capital Advances -	2,99,96,504	-
<b>TOTAL</b>	<b>2,99,96,504</b>	<b>-</b>

### NOTE NO 12 - INVENTORIES

Packing Materials	1,09,04,341	49,57,620
Raw Materials	7,73,42,386	1,82,68,754
Finished Goods	1,79,59,511	21,62,665
Work in process	2,01,28,133	
<b>Total Stock</b>	<b>12,63,34,371</b>	<b>2,53,89,039</b>
Less Provision for Obsoulte & Non moving Stock	1,66,00,000	
<b>TOTAL</b>	<b>10,97,34,371</b>	<b>2,53,89,039</b>

### NOTE NO 13 - TRADE RECEIVABLES

Unsecured, considered good	1,76,38,661	2,17,99,702
Trade Receivable O/s exceeding 6 months	8,82,64,167	
Others	10,59,02,828	2,17,99,702
Less: Provision for Doubtful Debts	1,50,00,000	
<b>TOTAL</b>	<b>9,09,02,828</b>	<b>2,17,99,702</b>

### NOTE NO 14 - CASH & CASH EQUIVALENTS

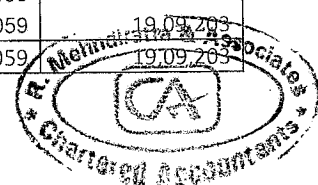
Cash on Hand	9,35,542	1,45,614
Balances with Scheduled Banks :		
- Current Accounts	2,04,749	64,934
Deposit Accounts	3,63,467	-
<b>TOTAL</b>	<b>15,03,758</b>	<b>2,10,548</b>

### NOTE NO 15 - SHORT TERM LOANS & ADVANCES

Unsecured , Consider good		
Advances recoverable in cash or ' kind or for value to be received	19,75,209	1,18,34,930
<b>TOTAL</b>	<b>19,75,209</b>	<b>1,18,34,930</b>

### NOTE NO 16 - OTHER CURRENT ASSETS

Deposits	2,85,000	
Others	91,15,059	
<b>TOTAL</b>	<b>94,00,059</b>	



**Pinnacle Life Science Private Limited**  
**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

Note No 17 - Other Operating Income	For the Year Ended	
	31st-Mar-2015	31st-Mar-2014
Reversal of Dep on Revalued FA	13,78,813	-
Interest	31,500	-
Miscellaneous income	1,02,18,215	-
<b>Total</b>	<b>1,16,28,528</b>	<b>-</b>
<b>Note No 18 - Cost of materials consumed</b>		
Raw Material Consumption	12,17,31,407	75,33,130
Packing Materials	1,53,29,642	56,80,569
Freight Inward	4,16,812	1,30,705
Provision for Non Moving & Obsolute Stock	1,66,00,000	-
<b>Total</b>	<b>15,40,77,861</b>	<b>1,33,44,404</b>
<b>Note No 19 - Employee benefits expense</b>		
Salaries, Wages and Bonus (Mfg)	61,64,137	19,01,367
Salaries and Bonus (Admin)	5,74,700	-
Provident Fund Contribution	49,131	1,35,841
Staff Welfare Expenses	1,03,772	1,85,460
Directors' Remuneration	3,78,195	-
<b>Total</b>	<b>72,69,935</b>	<b>22,22,668</b>
<b>Note No 20 - Depreciation and Amortisation</b>		
Depreciation	55,20,341	44,23,743
<b>Total</b>	<b>55,20,341</b>	<b>44,23,743</b>
<b>Note No 21 - Other expenses</b>		
<b>Manufacturing Expenses</b>		
Labour Charges	15,87,010	-
Insurance Expenses	2,22,513	1,15,560
Electricity Expense FY	23,78,873	16,65,868
Power & Fuel	9,65,828	1,78,000
Stores & Spares	1,79,153	1,69,588
Repairs & Maintenance - Plant & Machinery	6,06,845	1,71,555
Other Manufacturing Expenses Other Factory Expenses	25,57,865	10,31,659
<b>SubTotal ( a)</b>	<b>84,98,088</b>	<b>33,32,230</b>
<b>Office &amp; Administration Expenses</b>		
Auditors' Remuneration	1,09,180	28,090
Legal & Professional Charges	20,00,773	-
Office Electricity Charges	49,380	-
Miscellaneous Expenses	1,58,430	38,748
<b>Sub Total ( b)</b>	<b>23,17,763</b>	<b>66,838</b>
<b>Selling &amp; Distribution</b>		
Advertisement & Sales Promotion	46,257	-
Other Marketing Expenses	3,872	-
Provision for Bad & Doubtful Debts	1,50,00,000	-
Bad Debts & other written off	26,39,264	-
<b>Sub Total ( c)</b>	<b>1,76,89,393</b>	<b>-</b>
<b>Finance Cost</b>		
Bank Charges	2,48,067	2,48,914
<b>Total ( a+b+c+d+e)</b>	<b>2,87,53,311</b>	<b>36,47,982</b>
<b>Note No 22 - Finance Cost</b>		
Interest on Term Loans	11,55,334	81,92,443
Interest on Working Capital	23,61,924	-
Interest on Others	18,11,984	4,20,000
<b>Total</b>	<b>53,29,242</b>	<b>86,12,443</b>







# R. MEHNDIRATTA & ASSOCIATES

CHARTERED ACCOUNTANTS

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Ph. : 0175-2217697, Mob. : 092185-90001, 098160-54520, 98141-04520

E-mail : ravi\_medhi@yahoo.com

## PINNACLE LIFE SCIENCES PVT. LTD.

### NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED AS ON 31<sup>ST</sup> MARCH, 2015.

SCHEDULE 'U'

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2015.

#### PART - A

#### 22.1 Accounting Policies :

a) **Recognition of Income and expenditure**

These accounts are prepared on accrual basis and under the going concern assumption.

b) **Fixed assets and depreciation**

Fixed assets include all expenditure of capital nature and are stated at cost of acquisition, installation and commissioning . Depreciation on fixed assets other than land is charged under the straight-line method in accordance with Schedule XIV of the Companies Act, 1956.

c) **Investments**

Long Term Investments are stated at cost. Provisions are made for diminution in value of investments, if any, other than those of a temporary nature.

d) **Valuation of Inventories**

Inventories are valued at cost or net realisable value whichever is less. In considering the net realisable value of goods meant for export the realisable export incentives as estimated by the management are also included.

e) **Retirement Benefits**

In respect of Gratuity, the Company's contribution to group insurance scheme of Life Insurance Corporation of India are charged against revenue.

f) **Borrowing Costs**

i) Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets till such time as the assets are ready for its intended use or sale.

ii) A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense on the period in which they are incurred



**d) Deferred Taxation**

Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantially enacted on the Balance Sheet date.

**e) Foreign Currency Transactions**

i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

ii) Monetary items denominated in Foreign Currencies at the year-end are translated at the year end rates.

iii) Any income or expense on account of exchange difference either on settlement or translation is recognised in the Profit and Loss Account

**PART - B**

**22.2 Contingent Liabilities :**

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is **Rs.161.24 Lakhs** . (As at 31<sup>st</sup> March 2014 Rs.0.00 Lakhs)
- b) In respect of bank guarantees issued and L/C opened by the Company's bankers is **Rs.0.00 in lakhs**. (As at 31<sup>st</sup> March 2014 Rs 0.00 Lakhs)
- c) Demand in respect of additional income tax disputed in appeal **Rs. 0.00** lakhs (As at 31st March 2014 Rs. 0.00 lakhs)

**22.3 Securities for loans taken from Banks:**

Loans from Scheduled Banks **Rs.1200.00 lakhs** (As at 31<sup>st</sup> March 2014,Rs 000.00 Lakhs), are secured by way of hyphothecation of Company's raw materials stock, stock-in-process, finished goods, packing materials,stores & spares, book debts, foreign documentary bills and all other current assets including goods in transit governed by documents of title and Second charge on the movable fixed assets of the Company situated at Dist.:Baddi, State.: Himachal Pradesh.

**22.4** In the opinion of the Board the Current Assets and Loans and Advances have a value on realization at least equal to the amounts at which they are stated in the Balance Sheet.

**22.5 Segment-wise Disclosure as per Accounting Standard: 17.**

**I. BUSINESS SEGMENTS AS PRIMARY SEGMENTS**

The Company is considered to be a single segment Company engaged in pharmaceuticals business hence, the disclosure requirement as per AS-17 'Business segments as Primary Segment' is not attracted.



(`Rs. In Lakhs)

**II. GEOGRAPHICAL SEGMENTS AS SECONDARY SEGMENTS**

For the year ended 31<sup>st</sup> March, 2015 For the year ended 31<sup>st</sup> March, 2014

Segment Revenue

a) Exports	0.00	000
b) Others	1,230.48	0000
Total	<u>1,230.48</u>	<u>0000</u>

**Note:**

**Segmental capital employed:**

Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. The Company believes that currently it is not practicable to provide segment disclosures relating to total assets and liabilities.

**22.6 Related party transactions :**

**A Name and Relationship of the Related Parties :**

**3(a) Enterprise that directly or indirectly through one or more intermediaries control**

1. Aarti Drugs Limited.

**B Transaction with the related parties during the year :**

Transaction with Related Parties	Enterprise that directly or indirectly through one or more intermediaries control	
	C.Y. (%)	P.Y.(%)
Sales and Income from Operations	00.00	00.00
Manufacturing Expenses	14.57	00.00
Borrowing Cost	19.81	00.00
Outstanding Payable	12.57	00.00
Outstanding Receivable	00.29	00.00

**22.7** There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



**22.8 Auditors' remuneration includes**

(. In Lakhs)

	Current Year	Previous Year
Audit Fees	1.09	0.00
Certification	0.00	0.00
Other Service From Auditors	0.00	0.00
Tax Audit Fees	0.00	0.00
<b>Total</b>	<b>1.09</b>	<b>0.00</b>

**22.9 Director Remuneration includes**

(. In Lakhs)

	Current Year	Previous Year
Salary to Managing Directors and whole time Directors	3.20	0.00
Bonus/Leave Travel Allowance/House Rent Allowance/ Medical/Leave Salary/ Insurance Premium	0.56	0.00
Contribution to Providend Fund	0.00	0.00
<b>Total Remuneration</b>	<b>3.78</b>	<b>0.00</b>

**22.10 Additional information pursuant to the provisions of paragraphs 3, 4CD, 4D and part II of Schedule VI of the Companies Act, 1956 (Figures in bracket relate to 31<sup>st</sup> March 2014)**

**a) Licensed capacity and installed capacity (as certified by Management and not verified by the Auditors, it being a technical matter.)**

(Qty in 000's Strips)

Class of Goods	Units	* Licenced	Installed	Production	Captive	Net Production
Formulation	Strip	---	28000.00 (0000.00)	13342.51** (0000.00)**	Nil (Nil)	13342.51 (0000.00)

\* As the license is not required Licensed Capacity not given.

\*\* Includes job work quantity.

**b) Value of Raw materials and spares consumed**

(. In Lakhs)

	Percentage (%)	Amount (Rs)
Raw Material: Indigenous	89.10 (00.00)	1,084.67 ( 0,000.00)
Imported	10.90 (00.00)	132.64 (00.00)
Stores and spares : Indigenous	100 (100)	1.79 (0.00)



	<u>Quantity (kgs)</u>	<u>(. In Lakhs) Amount (Rs.)</u>
<b>c) Purchase of trading items :</b>	<b>0,00,000</b> (0,00,000)	<b>00.00</b> (00.00)
<b>d) C.I.F Value of Imports</b>	<u><b>Current Year</b></u>	<u><b>Previous Year</b></u>
Raw Material	93.07	0.00
Capital Goods	0.00	0.00
<b>e) Expenditure in Foreign Currency</b>	<b>Rs. Nil</b>	<b>Rs. Nil</b>
<b>f) Earnings in Foreign Exchange</b>		
F.O.B. Value of Exports	<b>Rs. Nil</b>	<b>Rs. Nil</b>

22.11 Figures of the previous year have been regrouped and rearranged wherever necessary.

AS PER OUR REPORT OF EVEN DATE  
FOR R. MEHNDIRATTA & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CA. R. K. MEHNDIRATTA  
PROPRIETOR  
(M.NO.096132)

Place : Baddi

Date : 14-05-2015

  
(VISHWA H. SAVLA)  
MANAGING DIRECTOR

  
(HARSHIT M. SAVLA)  
DIRECTOR