

FINANCIAL REPORT

OF

PINNACLE LIFE SCIENCES

PRIVATE LIMITED

ASSESSMENT YEAR 2016-17

MANPURA TEHSIL BADDI DISTRICT SOLAN
HIMACHAL PRADESH-173205

Audited by:-

R. Mehndiratta & Associates

5095, Dalal Pura Street, Triveni Chowk, Patiala (Punjab)

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Independent Auditors' Report

To

The Members of
Pinnacle Life Science Private Limited
Manpura, Baddi

Report on the Financial Statements

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

Management's Responsibility for the (Standalone) 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) financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these (Standalone) 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. I conducted our audit in accordance with the Standards on Auditing



specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 a 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the (Standalone) financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Standalone) 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 March 31, 2016, and its Profit/Loss and its Cash Flow 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"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" 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 our 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

d. in our opinion, the aforesaid (Standalone) 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 March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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. Or The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24.1 to 24.13 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Or The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts to the financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Or there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Or Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For and on behalf of
R. Mehndiratta & Associates
Chartered Accountants

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



Place: **Baddi (Camp Office)**

Date: **April, 29, 2016**

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company {Pinnacle Life Science Pvt. Ltd.} for the year ended March 31, 2016:

1)

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

2)

(a) The management has conducted the physical verification of inventory at reasonable intervals.

b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



7)

(a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.



15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of

R. Mehndiratta & Associates
Chartered Accountants

(R.K. Mehndiratta)

Proprietor

Membership No. 096132

FRN. 15800N



Place: **Baddi (Camp Office)**

Date: **April 29, 2016**

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Pinnacle Life Science Private Limited

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

I have audited the internal financial controls over financial reporting of Pinnacle Life Sciences Private Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone 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”.] These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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



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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the 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".

For and on behalf of
R. Mehndiratta & Associates
Chartered Accountants

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



Place: Baddi (Camp Office)
Date: April 29, 2016

Pinnacle Life Science Private Limited
BALANCE SHEET AS AT 31ST MARCH 2016

<u>Particulars</u>	Note No		As at 31st Mar, 2016	As at 31st Mar, 2015
EQUITIES AND LIABILITIES				
<u>Shareholders' funds</u>				
Share Capital	1	77,827,500		77,827,500
Reserves & Surplus	2	58,049,817		36,077,858
			135,877,317	113,905,358
<u>Non current liabilities</u>				
Long term borrowings	3	160,204,848		120,000,000
Deferred tax liability (Net)		61,080		61,080
Other long term liability	4	4,386,287		1,974,788
			164,652,215	122,035,868
<u>Current liabilities</u>				
Short term borrowings	5	10,387,792		11,613,618
Trade payables	6	336,760,672		189,451,516
Other current liabilities	7	15,602,920		3,338,170
Short term provisions	8	6,287,499		3,231,568
			369,038,883	207,634,872
TOTAL			669,568,416	443,576,098
ASSETS				
<u>Non current assets</u>				
Fixed assets	9	306,482,681		169,802,606
Capital Work in Progress		-		30,235,764
Non current investment	10	50,000		25,000
Long term loans & advances	11	1,320,188		29,996,504
			307,852,869	230,059,873
<u>Current assets</u>				
Inventories	12	113,200,398		109,734,371
Trade receivable	13	234,500,752		90,902,828
Cash and cash equivalents	14	3,176,973		1,503,758
Short-terms loans and advances	15	4,009,063		1,975,209
Other current assets	16	6,828,361		9,400,059
			361,715,548	213,516,224
TOTAL			669,568,416	443,576,098

AS PER OUR REPORT OF EVEN DATE.

For R. Mehndiratta & Associates
Chartered Accountants

Firm Registration No: 15800N

(R.K. Mehndiratta)
Proprietor

Membership No: 096132

PLACE : Baddi (Camp Office)

DATE: 29.04.2016

For and on Behalf of the Board of Directors of
Pinnacle Life Science Private Limited

(Harshit M Savla)
Director

DIN: 00005340

(Vishwa H Savla)
Director

DIN: 03619810

PLACE : Mumbai

DATE: 28.04.2016

Pinnacle Life Science Private Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	Note	Quarter ended		Quarter ended		For The Year Ended		For The Year Ended	
		Mar-16	%	Dec-15	%	Mar-16	%	31st Mar 2015	
1 Income from Operations									
(a) Gross Sales / Income from Operations		256,374,901		151,063,548		866,051,908		123,048,037	
Less : Excise Duty & Sales Tax		3,105,548	0.01	1,978,746	0.01	11,478,515	0.01	1,780,125	1.47%
Net Sales / Income from Operations		253,269,352		149,084,803		854,573,394		121,267,912	
2 Other Income	17	1,686,233		768,561		3,833,606		11,628,528	
Total revenue		254,955,585		149,853,364		858,407,000		132,896,439	
3 Expenditure									
(a) Cost of materials consumed	18	173,015,089	81.70	78,505,481	81.27	589,574,763	85.43	154,077,861	89.17
(b) Purchase of stock-in-trade		38,478,706	85.51	43,542,329	90.27	144,550,159	90.03		
(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(2,867,253)		3,060,550		3,324,094		(35,571,115)	
(e) Employee benefits expense	19	10,235,112	4.01	8,132,717	5.43	33,984,804	3.96	7,269,935	5.47
(f) Depreciation and amortisation expense	20	2,854,077	1.12	2,223,107	1.48	9,435,344	1.10	5,520,341	4.15
(g) Other expenses	21	15,520,562	6.09	9,688,295	6.47	45,049,888	5.25	28,753,311	21.64
Total expenses		237,236,293	93.05	145,152,478	96.86	825,919,051	96.22	160,050,333	120.43
4 Profit from Operations before Other Income, finance costs and exceptional items (1-2)		17,719,292	6.95	4,700,885	3.14	32,487,949	3.78	(27,153,894)	(20.43)
5 Other Income		-		-		-		-	
6 Profit from ordinary activities before finance cost and exceptional items		17,719,292	6.95	4,700,885	3.14	32,487,949	3.78	(27,153,894)	(20.43)
7 Finance costs (interest)	22	2,937,308	1.15	2,297,717	1.53	7,915,434	0.92	5,329,242	4.01
8 Profit from ordinary activities after finance cost but before Exceptional Items		14,781,984	5.80	2,403,168	1.60	24,572,515	2.86	(32,483,136)	(24.44)
9 Exceptional Items -									
10 Profit from Ordinary Activities before Tax		14,781,984	5.80	2,403,168	1.60	24,572,515	2.86	(32,483,136)	(24.44)
11 Tax Expenses (Includes)									
Provision for Taxation - Current		-		-		-		-	
- MAT Credit Entitlement									
- Earlier Year									
Provision for Deferred Taxation		-		-		-		-	
12 Net profit from ordinary Activities after Tax		14,781,984	5.80	2,403,168	1.60	24,572,515	2.86	(32,483,136)	(24.44)
13 Extraordinary items									
14 Net Profit for the period (11-12)		14,781,984	5.80	2,403,168	1.60	24,572,515	2.86	(32,483,136)	(24.44)

AS PER OUR REPORT OF EVEN DATE.

For R. Mehndiratta & Associates
Chartered Accountants
Firm Registration No: 15800N

(R.K. Mehndiratta)
Proprietor

Membership No: 096132
PLACE : Baddi (Camp Office)
DATE : 29.04.2016

For and on Behalf of the Board of Directors of
Pinnacle Life Science Private Limited

(Harshit M Savla)
Director
DIN: 00005340

(Vishwa H Savla)
Director
DIN: 03619810

PLACE : Mumbai
DATE : 28.04.2016

Pinnacle Life Science Private Limited
NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2016

NOTE NO 1 ---- SHARE CAPITAL		
	As at 31st Mar' 2016	As at 31st Mar' 2015
AUTHORISED :		
1,00,00,000 Equity shares of Rs. 10/- each	100,000,000	100,000,000
	100,000,000	100,000,000
ISSUED, SUBSCRIBED & PAID-UP :		
7782750 'Equity Shares of Rs. 10/- each Issued ,subscribed and fully paid	77,827,500	77,827,500

Reconciliation	Numbers	Value
Opening outstanding shares	7,782,750	77,827,500
Add Issued During the Year	-	-
Closing outstanding shares	7,782,750	77,827,500

Disclosures of shares held by each shareholders more than 5% shares				
	Mar-2016	Mar' 2015	Mar' 2016	Mar' 2015
Name of holder	No of Shares		% of Holding	
Aarti Drugs Limited	7782750	7782750	100%	100%

NOTE NO 2 RESERVES & SURPLUS		
Particulars	As at 31st Mar' 2016	As at 31st Mar' 2015
PROFIT & LOSS APPORPATION A/C	36,077,858	36,361,361
Addition During the year	24,572,515	1,095,310
	60,650,373	37,456,671
Appropriation During the year	-	-
Revaluation Reserve	2,600,556	1,378,813
TOTAL	58,049,817	36,077,858

NOTE NO 3 LONG TERM BORROWINGS		
Term loans		
Secured borrowings		
From Scheduled Banks	160,204,848	120,000,000
TOTAL	160,204,848	120,000,000

NOTE NO 4 OTHER LONG TERM LIABILITY		
Other payables		
Capital expenses payable	4,386,287	1,974,788
TOTAL	4,386,287	1,974,788



NOTE NO 5 SHORT TERM BORROWINGS		
	As at 31st Mar' 2016	As at 31st Mar' 2015
Loans repayable on demand		
From Banks		
Secured Borrowings	10,231,560	11,613,618
Unsecured Loan- Related party		
From Directors	156,232	-
TOTAL	10,387,792	11,613,618

NOTE NO 6 TRADE PAYABLE		
Trade payables of Goods, Services & Expenses		
Due to micro enterprises and small enterprises		
Due to others	336,760,672	189,451,516
TOTAL	336,760,672	189,451,516

NOTE NO 7 OTHER CURRENT LIABILITY		
Long Term borrowing payable within 12 months	15,000,000	-
Other Payable - indirect taxes	602,920	3,338,170
TOTAL	15,602,920	3,338,170

NOTE NO 8 SHORT TERM PROVISION		
Provision for Employee Liability	3,673,673	2,399,031
Other Short Term Provisions	2,613,826	832,537
TOTAL	6,287,499	3,231,568

NOTE NO 10 NON CURRENT INVESTMENT		
Investment in Shares	50,000	25,000
TOTAL	50,000	25,000

NOTE NO 11 LONG TERM LOANS & ADVANCES		
Unsecured - consider good		
Capital Advances	1,320,188	29,996,504
TOTAL	1,320,188	29,996,504

NOTE NO 12 INVENTORIES		
	As at 31st Mar' 2016	As at 31st Mar' 2015
Packing Materials	18,581,960	10,904,341
Raw Materials	60,208,753	77,342,386
Finished Goods	3,495,063	17,959,511
Work in process	30,914,624	20,128,133
Total Stock	113,200,398	126,334,371
Less Provision for Obsoulte & Non moving Stock		16,600,000
TOTAL	113,200,398	109,734,371

NOTE NO 13 TRADE RECEIVABLES		
Unsecured, considered good		
Trade Receivable O/s exceeding 6 months	7,483,923	17,638,661
Others	233,849,214	88,264,167
	241,333,137	105,902,828
Less: Provision for Doubtful Debts	6,832,385	15,000,000
TOTAL	234,500,752	90,902,828



NOTE NO 14 CASH & CASH EQUIVALENTS		
Cash on Hand	970,790	935,542
Cheques on Hand	569,964	-
Balances with Scheduled Banks :		
- Current Accounts	792,629	204,749
- Deposit Accounts	843,590	363,467
TOTAL	3,176,973	1,503,758

NOTE NO 15 SHORT TERM LOANS & ADVANCES		
Unsecured , Consider good		
Loans and advances - staff & employees	387,812	1,015,176
Advances recoverable in cash or kind or for the value to be recd	3,621,251	960,033
TOTAL	4,009,063	1,975,209

NOTE NO 16 OTHER CURRENT ASSETS		
Deposits	779,000	285,000
Duties & Taxes	6,049,361	9,115,059
TOTAL	6,828,361	9,400,059



PINNACLE LIFE SCIENCE PRIVATE LIMITED

Note 10 : Fixed assets

Sl.	No.	Particulars	GROSS BLOCK				Depreciation				NET BLOCK		
			Opening as on 01-04-15	Total additions for the year	Deduction / Adjustments	Closing as on 31-Mar-16	Opening as on 1-Apr-15	Total Depreciation for Current Year	Deduction / Adjustments	Closing as on 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15	
		(i) Tangible assets											
1		LAND	23,625,000	604,000	-	24,229,000	-	-	-	24,229,000	23,625,000		
2		BUILDING	88,623,589	44,061,175	-	132,684,764	-	-	13,971,496	118,713,268	77,657,263		
3		PLANT & MACHINERY	69,447,735	66,338,394	446,759	135,339,370	-	23,514	18,027,748	117,311,622	55,204,570		
4		ELECTRIC INSTALLATION	6,219,998	4,831,429	-	11,051,427	-	-	2,404,785	8,646,642	4,525,023		
5		FURNITURE & FIXTURES	1,303,966	1,507,883	-	2,811,849	-	-	545,428	2,266,421	898,611		
6		GENERATOR SET	1,383,199	3,363,568	-	4,746,767	-	-	848,398	3,898,369	716,300		
7		COMPUTERS	744,291	1,050,831	-	1,795,122	-	-	520,113	1,275,009	538,767		
8		LAB EQUIPMENTS	954,581	4,686,905	-	5,641,486	-	-	390,280	5,251,206	704,347		
9		AIR HANDLING UNITS	8,593,922	19,597,991	-	28,191,913	-	-	3,947,336	24,244,577	5,736,840		
10		FIRE FIGHTING EQUIPMENTS	269,776	-	-	269,776	-	-	112,650	157,126	186,386		
11		MISCELLANEOUS ASSETS	10,000	-	-	10,000	-	-	1,559	8,441	9,500		
12		COMPUTER SOFTWARE	-	520,000	-	520,000	-	-	39,000	481,000	-		
		Total	201,176,057	146,562,176	446,759	347,291,474	446,759	23,514	40,808,793	306,482,681	169,802,607		

PINNACLE LIFE SCIENCE PVT LIMITED

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016

PART - A

24.1 Significant Accounting Policies :

a. Basis of Preparation

The financial statement have been prepared and presented under the historical cost convention on as accrual basis of accounting and in accordance with Generally Accepted Accounting Principles in India and comply in all material aspects with the applicable accounting standards notified under the relevant provisions of the Companies Act 2013.

b. Fixed assets and depreciation

i) Fixed assets include all expenditure of capital nature and are stated at cost of acquisition, installation and commissioning and related borrowing cost less depreciation. Fixed asset values are stated at historical cost. Depreciation on fixed assets other than land is charged under the straight-line method in accordance with Schedule II of the Companies Act, 2013.
ii) Impairment loss indicates the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of the net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The Company will recognize such losses whenever they arise.

c. Investments

Investments are classified into Current and Non-Current Investments. Current Investments are valued at lower of cost and fair value. Non-Current Investments are stated at cost. Provisions are made for diminution in value of investments, if any, other than those of temporary nature.

d. Valuation of Inventories

Inventories are stated at lower of cost or net realizable value, on the following basis:

- i) Raw materials, packing materials, stores and spares - At cost on FIFO Method
- ii) Work in process - At cost plus appropriate allocation of overheads
- iii) Finished Goods - At cost plus appropriate allocation of Overheads

e. Revenue Recognition

Revenue is recognized to the extent that probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods have been passed to the buyer, and is stated net of excise duty, sales tax, returns and trade discounts.

Interest income is recognized using the time proportionate method, based on rates implicit in the transaction.

Dividend income is recognized when the right to receive is established.



f. Borrowing Cost

Borrowing costs that are directly attributable to acquisition or construction or production of qualifying assets are capitalized as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

g. Income Tax

Tax expenses comprise of current tax and deferred tax, current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income of the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted as at the Balance Sheet date.

24.2 Contingent Liabilities:

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is **Rs. 13.20 Lakhs** . (As at 31st March 2015 Rs. 161.24 Lakhs)

24.3 Securities for loans taken from Banks:

- a. Loans from Scheduled Banks Rs.1752.05 lakhs (F.Y 14-15 Rs. 1200.00 lakhs) are secured by way of mortgage of immovable properties and hypothecation of movable fixed assets of the company situated at Village Manpura Tehsil Baddi Distt. Solan, State.: Himachal Pradesh.
- b. Loans from Scheduled Banks of Rs.116.27 lakhs (F.Y 14-15 Rs.248.76 lakhs) are secured by hypothecation of Company's stock and debtors less creditors.

- 24.4. There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. 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.

- 24.5. 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.

24.6. 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.

(Amount Rs.in Lakhs)

II.	GEOGRAPHICAL SEGMENTS AS SECONDARY SEGMENTS	For the year ended 31 st March 2016	For the year ended 31 st March, 2015
	Segment Revenue		
a)	Exports	0.00	0.00
b)	Others	8,545.73	1,212.67
	Total	8,545.73	1,212.67



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.

24.7 Related party transactions:

Related party transactions disclosure as required by Accounting Standard – 18. 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India are given below :

A. Name and Relationship of the Related Parties:

3(a) Holding Company
Aarti Drugs Limited.

3(b) Key Management personnel along with their relatives have significant influence.

• Key Management Personnel

Mr. Harshit M. Savla	Mr. Vishwa H. Savla
Mr. Adhish Patil	Mr. Harit P. Shah

B. Transactions with the related parties during the year:

Note: Proportions given in the following statement belong to the respective accounting group as shown in the financial statements for the year ended 31st March, 2016

Transaction with Related Parties	Enterprise/firms over which controlling individuals have significant influence	
	C.Y.	P.Y.
	%	%
Sales & Income from Operations	0.00	00.00
Manufacturing Expenses	36.98	14.57
Borrowing costs	12.69	19.81
Outstanding Payable	38.13	12.57
Outstanding Receivable	0.00	00.29

24.8. Directors Remuneration:

(Amount in Rs in Lakhs)

Particulars	Current Year	Previous Year
Salary to Managing Directors and whole time Directors	12.98	3.20
Bonus/Leave Travel Allowance/House Rent Allowance/ Medical/Leave Salary	0.17	0.56
Commission payable to Directors	0.00	0.00
Contribution to Provident Fund	0.11	0.02
Superannuation fund scheme	0.11	0.00
Total Remuneration	13.37	3.78



24.9. Auditors' remuneration includes

(Amount in Rs in Lakhs)

Particulars	Current Year	Previous Year
Statutory Audit	2.19	1.09
Other Audit Services	0.00	0.00
Certification	0.00	0.00
Total	2.19	1.09

24.10. Earnings Per Share:

(Amount in Rs in Lakhs)

Particulars	Current Year	Previous Year
Net Profit available for Equity Shareholders	245.72	(324.83)
Weighted Number of Equity Shares (Nos.)	7782750	7782750
Basic & Diluted EPS (after extraordinary items) (Rs.)	3.16	(4.17)
Nominal value per share (Rs.)	10.00	10.00

24.11 Additional information pursuant to the provisions of the Companies Act, 2013 (Figures in bracket relate to 31st March 2015)

- a. Licensed capacity installed capacity and production (as certified by the Management and not verified by the Auditors, it being a technical matter.) (Qty in Strips)

Class of Goods	Units	* Licensed	Installed	** Production	Captive	Net Production
TABLETS	Nos	---	30,000 lacs (600 lacs)	7500 lacs (1334.2 lacs)	NIL	7500 lacs (1334.2 lacs)
TUBES	Nos	---	300 lacs (120 lacs)	14 lacs	NIL	14 lacs
LIQUID	Nos	---	300 lacs (120 lacs)	61 lacs	NIL	61 lacs
CAPSULES	Nos	---	1800 lacs (1500 lacs)	---	NIL	---
LOTIONS	Nos	---	80 lacs (NIL)	---	NIL	---

* As license is not required Licensed Capacity not given.

** Includes job work quantity.

	(Qty in Kg) Quantity	Amounts Rs.in Lakhs
b. Purchase of trading items: No.of Strips	250.88 lacs	14.46
c. Value of Raw materials and spares consumed	Percentage (%)	Amount (Rs. In Lakhs)
Raw Material: Indigenous	100.00	59,28.98
d. Expenditure in Foreign Currency Sales Promotion	2.96	0.00


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

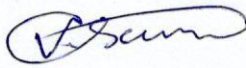
AS PER OUR REPORT OF EVEN DATE
For R. Mehndiratta & Associates
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF
DIRECTORS

(R.K. Mehndiratta)
Proprietor
Membership No.096132
FRN. 15800N
Place: Baddi (Camp Office)
Date : 29/04/2016




HARSHIT M. SAVLA
(DIRECTOR)
DIN: 00005340


VISHWA H. SAVLA
(DIRECTOR)
DIN: 03619810

Place: Mumbai
Date : 28/04/2016