

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF GENU PATH LABS LIMITED REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **GENU PATH LABS LIMITED ('the Company')**, which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 financial statements based on our audit.

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

We conducted our audit of the financial statements 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. 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 obtained by us 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 31 March 2018 and its loss 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, 2016 ("the Order") 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 the paragraph 3 and 4 of the Order, to the extent applicable.
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 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 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 the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

Place: Kolkata
Dated:



For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Anurag Singhi
Partner
Membership No. 066274

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of M/s Genu Path Labs Limited for the year ended 31 March 2018, we report that:

- i. (a) There are no fixed assets of the company, hence paragraph 3(i) of the order is not applicable
- ii. The Company does not have any inventory. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. The Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.
- iv. The Company has neither given any loan nor have made any investment during the year and thus paragraph 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no material dues of duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- ix. The company did not raise money by way of initial public offer or further public offer including debt instruments and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company has no whole time director or manager in the financial year. Hence, paragraph 3(xi) of the Order is not applicable.
- xii. The company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. The Company has not entered in any transactions as defined in section 177 and section 188 of the Act and thus clause xiii of paragraph 3 of the Order is not applicable.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as it is governed by another regulator.

Place: Kolkata
Dated:



For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Anurag Singhi
Partner
Membership No. 066274

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of M/s Genu Path Labs Limited for the year ended 31 March 2018, we report that:

We have audited the internal financial controls over financial reporting of M/s Genu Path Labs Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S 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 ICAI. 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.

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



MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 ICAI.



Place: Kolkata

Dated: 19th May, 2018

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Anurag Singhi
Partner

Membership No. 066274

GENU PATH LABS LIMITED
CORPORATE IDENTITY NO. (CIN) - U85320WB2017PLC222577
Innovation Tower, Premises No. 16-315, Plot No. DH6/32
Action Area-1D, Newtown, Rajarhat, Kolkata-700156

BALANCE SHEET AS AT MARCH 31, 2018

	Notes	As at 31.03.2018 Rs.
I. EQUITY AND LIABILITIES		
1. Shareholders' Funds		
(a) Share Capital	3	3,00,00,000
(b) Reserves and Surplus	4	(10,04,466)
2. Current Liabilities		
(a) Long Term Provisions	5	59,521
3. Current Liabilities		
(a) Trade Payables	6	4,31,468
(b) Other Current Liabilities	7	7,68,046
(c) Short-Term Provisions	5	522
		<u>3,02,55,091</u>
II. ASSETS		
1. Non-current Assets		
(a) Fixed Assets		
Capital Work-in Progress		1,17,51,432
(b) Long Term loans and advances	8	50,12,091
2. Current Assets		
(a) Cash and Cash Equivalents	9	1,34,11,550
(b) Short term loans and advances	8	74,895
(c) Other Current Assets	10	5,123
		<u>3,02,55,091</u>
Summary of significant accounting policies	2	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Singhi & Co.
Firm Registration No.: 302049E
Chartered Accountants

Anurag Singhi
Partner
Membership No.: 066274

Place : Kolkata
Date: 19th May, 2018

For and on behalf of the Board of Directors

Ravi Kant Sharma
Director
DIN : 00364066

Amrit Daga
Director
DIN : 07365272



GENU PATH LABS LIMITED
CORPORATE IDENTITY NO. (CIN) - U85320WB2017PLC222577
Innovation Tower, Premises No. 16-315, Plot No. DH6/32
Action Area-1D, Newtown, Rajarhat, Kolkata-700156

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Notes	2017-18 Rs.
Revenue from Operations		
Other Income	11	2,30,044
I. Total Revenue		2,30,044
II. Expenses:		
Employee Benefit Expenses	12	6,92,448
Other Expenses	13	5,42,062
		12,34,510
III. LOSS BEFORE TAX		(10,04,466)
IV. Tax Expenses:		
(a) Current Tax		-
(b) Deferred Tax		-
V. Loss for the year		(10,04,466)
VI. Earnings Per Equity Share:		
Basic & Diluted (Nominal Value per Share Rs. 10/-)	14	(1.71)
Summary of significant accounting policies	2	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Singhi & Co.
Firm Registration No.: 302049E
Chartered Accountants

Anurag Singhi
Partner
Membership No.: 066274

Place : Kolkata
Date: 19th May, 2018

For and on behalf of the Board of Directors

Rishi Sharma
Ravi Kant Sharma
Director
DIN : 00364066

Anurag Singhi
Director
DIN : 07365272



GENU PATH LABS LIMITED
CORPORATE IDENTITY NO. (CIN) - U85320WB2017PLC222577
Innovation Tower, Premises No. 16-315, Plot No. DH6/32
Action Area-1D, Newtown, Rajarhat, Kolkata-700156

Cash Flow Statement for the year ended March 31, 2018

	Particulars	Year Ended 31.03.2018 (Rs.)
A.	Cash Flow from Operating Activities	
	Net Profit/(Loss) before tax	(10,04,466)
	Adjustments for :-	
	Profit on sale of current investments	(2,23,713)
	Gratuity Expense	60,043
	Operating cash flow before working capital changes	
	Increase in Trade Payables	(11,68,136)
	Increase in Other Liabilities	4,31,468
	(Increase) in Loans and Advances	7,68,046
	(Increase) in Other Current Assets	(74,895)
		(5,123)
	Cash (used in)/generated from operations	
	Income Taxes paid(net of refunds)	(48,640)
		-
	Net cash (used in)/generated from operating activities	(48,640)
B.	Cash Flow from Investing Activities	
	Purchase of Fixed Assets including Capital Advance	(1,67,63,523)
	Purchase of Current Investments	(2,71,00,000)
	Proceeds from sale of Current Investments	2,73,23,713
	Net cash (used in)/generated from investing activities	(1,65,39,810)
C.	Cash Flows from Financing Activities	
	Proceeds from issuance of Equity Share Capital	3,00,00,000
	Net cash generated from/(used in) financing activities	3,00,00,000
D.	Net change in cash and cash equivalents (A+B+C)	1,34,11,550
E.	Cash and Cash equivalents - Opening Balance	-
F.	Cash and Cash equivalents - Closing Balance*	1,34,11,550

Note :

The Cash flow statement has been prepared under the "Indirect Method" set out in Accounting Standard 3 'Cash Flow Statement'

* Components of Cash and Cash Equivalents as indicated in Note 9 comprises of:

Cash in Hand	8,252
Balances with Scheduled Banks on Current Accounts	24,03,298
Deposits with original maturity for less than three months	1,10,00,000

Total

1,34,11,550

As per our attached report of even date

For Singhi & Co.
Firm Registration No.: 302049E
Chartered Accountants

Anurag Singhi
Partner
Membership No.: 066274

Place : Kolkata
Date: 19th May, 2018

For and on behalf of the Board of Directors

Ravi Kant Sharma
Director
DIN : 00364066

Amrit Daga
Director
DIN : 07365272



SCHEDULE 1- CORPORATE INFORMATION

Genu Path Labs Limited is a public limited company domiciled in India has been incorporated on 1st September, 2017. The company is in process to establish pathology centres and will carry the business of pathological investigation, services for sending, receiving human blood, blood products, plasma, serum, body fluids, tissues and related services.

SCHEDULE 2 – SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**Summary of Significant Accounting Policies****i. Basis of preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company, are consistent with those used in the previous year.

ii. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future years.

iii. Revenue Recognition

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

a) Laboratory Income: Revenue comprises of amount billed (net of discounts) in respect of tests conducted and is recognised as and when the samples are registered for the purpose of conducting the tests which usually take not more than 48 hours.

b) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rates applicable. Interest income is included under the head "Other Income" in the statement of profit and loss.

c) Profit/(loss) on sale of current investments is determined based on the weighted average cost of the investments sold. Profit/(loss) on sale of current investments is included under the head "Other Income" in the statement of profit and loss.

iv. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognised.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

v. Depreciation

a) Depreciation on Property, Plant and Equipment is calculated on a WDV basis using the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II to the Companies Act, 2013.

b) Depreciation on Property, Plant and Equipment added/disposed off during the year is provided on prorata basis with reference to the date of addition/disposal.

vi. Impairment of fixed assets:

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation / amortization is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortization if there was no impairment.

vii. Investments

Investments that are readily realisable and intended to be held for not more than one year from the date on which such investment is made are classified as Current Investments. All other Investments are classified as Long term Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Long term investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

viii. Inventories

Inventories comprise of reagents, chemicals, surgical and laboratory supplies and stores and others and are valued at lower of cost and net realisable value. Cost is determined on First in and First out Basis.



ix. Retirement and other employees benefits

a) Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to a reduction in future payment or a cash refund.

b) Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains / losses are recognized in full in the year in which they occur in the Statement of Profit and Loss. Bifurcation of current and non-current provisions for gratuity is done based on actuarial valuation.

c) Short term compensated absences are provided for based on estimates. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

x. Taxes on Income

Tax expense comprises of current 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, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. If the Company has carry forward unabsorbed depreciation and tax losses, deferred tax asset is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realised.

The carrying amount of deferred tax asset is reviewed at each Balance Sheet date. The company writes down the carrying amount of a Deferred Tax Asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each Balance Sheet date, the Company recognizes the unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realized.

xi. Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and Cash/Cheque on hand and short-term investments with an original maturity of three months or less.

xii. Earnings Per Share

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

xiii. Provisions

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation, at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xiv. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

xv. Segment Reporting

The Company is engaged mainly in the business of running laboratories for carrying out pathological tests. These, in the context of Accounting Standard 17 on Segment Reporting are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e.



GENU PATH LABS LIMITED
Innovation Tower, Premises No. 16-315, Plot No. DH6/32
Action Area-1D, Newtown, Rajarhat, Kolkata-700156

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

As at
31.03.2018
Rs.

3. SHARE CAPITAL

Authorised	
31,00,000 Equity Shares of Rs. 10/- each	3,10,00,000
	<u>3,10,00,000</u>
Issued, Subscribed and Paid-up	
30,00,000 Equity Shares of Rs. 10/- each	3,00,00,000
	<u>3,00,00,000</u>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at 31st March, 2018	
	Nos.	Rs.
Issued during the year	30,00,000	3,00,00,000
Outstanding at the end of the year	<u>30,00,000</u>	<u>3,00,00,000</u>

(b) Terms / Rights attached to the equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company/ ultimate holding company

Out of the equity shares issued by the company, shares held by its holding company are as below:-

31.03.2018
(Rs.)
30,00,000

Sastasundar Ventures Limited

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March, 2018	
	No. of shares	% of holding
(Equity shares of Rs. 10 each full paid up) Sastasundar Ventures Limited (including shares held by its nominees)	30,00,000	100%

(e) No shares have been reserved for issue under options and contracts/commitments for the same of shares/ disinvestment as at the balance sheet date.

(f) No Convertible securities have been issued by the company during the period.

(g) No calls are unpaid by any Director and officer of the company during the period.



GENU PATH LABS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

As at
31.03.2018
Rs.

4. RESERVES AND SURPLUS

Surplus / (Deficit) in the Statement of Profit and Loss

Loss for the year transferred from the Statement of Profit and Loss

(10,04,466)

(10,04,466)

5. PROVISIONS

	<u>Non-Current</u> As at 31.03.2018 Rs.	<u>Current</u> As at 31.03.2018 Rs.
Gratuity [Refer Note 16]	59,521	522
	<u>59,521</u>	<u>522</u>

6. TRADE PAYABLES

Due to Micro & Small Enterprises *

Due to Others

4,31,468

4,31,468

* Based on the information / documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provisions / payments have been made by the company to such creditors, if any, and no disclosures thereof are made in these financial statements.



GENU PATH LABS LIMITED
Innovation Tower, Premises No. 16-315, Plot No. DH6/32
Action Area-1D, Newtown, Rajarhat, Kolkata-700156

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

		As at 31.03.2018 Rs.
7. OTHER CURRENT LIABILITIES		
Other Payables		
Capital Purchase		7,02,412
Statutory Dues Payable		65,634
		<u>7,68,046</u>
8. LOANS AND ADVANCES		
	Non-Current	Current
	As at 31.03.2018 Rs.	As at 31.03.2018 Rs.
Capital Advances [Refer Note 19]	46,38,429	-
Security Deposits	3,73,662	-
Advance recoverable in cash or in kind	-	74,895
	<u>50,12,091</u>	<u>74,895</u>
9. CASH AND BANK BALANCES		
(i) Cash and Cash Equivalents		
Cash in Hand		8,252
Balances with Scheduled Banks on Current Accounts		24,03,298
(ii) Other Bank Balances		
Deposits with original maturity for less than three months		1,10,00,000
		<u>1,34,11,550</u>
10. OTHER ASSETS		
Accrued Interest on Fixed Deposit		
		5,123
		<u>5,123</u>



GENU PATH LABS LIMITED
Innovation Tower, Premises No. 16-315, Plot No. DH6/32
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	2017-18
	Rs.
11. OTHER INCOME	
Interest on Fixed Deposits	6,331
Profit on sale of Current Investments	223,713
	<u>230,044</u>
12. EMPLOYEE BENEFIT EXPENSES	
Salary and Bonus	608,709
Contribution to Provident funds	23,696
Gratuity Expense[Refer Note 16]	60,043
	<u>692,448</u>
13. OTHER EXPENSES	
Communication Expenses	22,339
Filing fees	368,345
Rates and Taxes	101,430
Auditors' Remuneration	
Audit Fees	30,000
Bank Charges	577
Printing and Stationary	124
General Expenses	19,247
	<u>542,062</u>
14. EARNINGS PER SHARE	
Basis for calculation of Basic and Diluted Earnings Per Share is as under:	
Profit / (Loss) after tax (Rs.)	(1,004,466)
Weighted Average Number of Equity Shares (Nos)	588,493
Nominal Value of each Equity Share (Rs.)	10
Loss Per Equity Share (Rs.)	(1.71)



Notes to Financial Statements as at and for the year ended 31st March, 2018

15 In terms of Accounting Standard 18 – the related party disclosure is given below:-

(a) Name of the Related Parties

Holding and Ultimate Holding Company

Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited)

Fellow Subsidiary Companies

Innogrow Technologies Limited (Formerly Microsec Technologies Limited)

Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited)

(b) Details of Related Party Transactions

Particulars	Holding Company	Fellow Subsidiary Companies	
	Sastasundar Ventures Limited	Sastasundar Healthbuddy Limited	Innogrow Technologies Limited
Proceeds from issuance of Equity share capital	3,00,00,000	-	-
Other Expenses	-	18,099	-
Advance amount paid towards rent and maintenance	-	-	1,48,032

16 The Company has a defined employee benefit plan in the form of gratuity. Every employee, who has completed five years or more of services, is entitled to gratuity on terms not less favorable than the provisions of the payment of Gratuity Act, 1972.

The following tables summaries the components of gratuity expenses recognised in the Statement of Profit and Loss and in Balance Sheet.

Particulars		2017 – 18 (Rs.)
(i) Net Employee Expense / (benefit)		
Current service cost		47,496
Actuarial Gain/(Loss) on Obligations		12,547
Total employer expense / (benefit) recognised in Statement of Profit and Loss		60,043
(ii) Benefit Asset / (Liability)		
Defined benefit obligation		60,043
Fair value of Plan Assets		
Benefit Asset/(Liability)		(60,043)
(iii) Movement in benefit liability		
Opening defined benefit obligation		
Current service cost		47,496
Actuarial Gain/(Loss) on Obligations		12,547
Closing benefit obligation		60,043
(iv) The principal actuarial assumptions are as follows		
Discount Rate		7.70%
Expected return on plan assets		7.70%
Salary increase		6.00%
Withdrawal rates		1.00%
(v) Amount incurred as expense for defined contribution plans		
Contribution to Provident fund		23,696
(vi) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
(vii) The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.		
(viii) The Company expects to contribute Rs. 1,00,000 to gratuity fund April, 2018 to March, 2019.		
(ix) Amounts for the current year and previous years are as follows :		Year Ended 31 st March, 2018
Gratuity		
Defined Benefit Obligation		60,043
Surplus / (Deficit)		(60,043)
Experience adjustments on plan liabilities		12,547

*The above information is actuarially determined.

17 Deferred Tax Asset

Deferred Tax Asset has not been recognized in these accounts in view of the Accounting Policy specified in significant policies in Note 1(x) above.

18 The Company has only one business segment and its operations are confined to one geographical segment i.e India. As such, no further disclosure under Accounting Standard 17 "Segment Reporting" is required.



GENU PATH LABS LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2018

19 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 41,33,000.

20 The Company has been incorporated on 1st September, 2017, accordingly there are no previous year figures for this financial statements.

As per our report of even date

For Singhi & Co.
Firm Registration No.: 302049E
Chartered Accountants

Anurag Singhi
Partner
Membership No.: 066274

Place : Kolkata
Date: 19th May, 2018

For and on behalf of the Board of Directors

Rishi Sharma
Ravi Kant Sharma
Director
DIN : 00364066

Amrit Daga
Director
DIN : 07365272

