INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VIOLIO HEALTHCARE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **VIOLIO HEALTHCARE LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 paragraphs 3 and 4 of the Order, to the extent applicable.

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 (including other comprehensive income), the Cash Flow Statement and statement of Changes in Equity 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 the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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.
   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.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Place: Ahmedabad
Date: May 2, 2019

sd/-

Karnik K. Shah
Partner
Membership No.: 129675

"Annexure A" referred to in the Independent Auditors' Report of even date to the members of VIOLIO HEALTHCARE LIMITED on the Financial Statements for the year ended 31st March, 2019.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

1. The Company does not hold any fixed assets hence clause (i)(a), (i)(b) and (i)(c) of paragraph 3 of the Order are not applicable to the Company for the year under review.

2. The Company does not deal in any inventory hence this clause is not applicable to the Company for the year under review.

3. The Company has not granted any loan, secured or unsecured, to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees or security or made any investments to which provisions of section 185 and 186 of the Act is applicable, and accordingly paragraph 3 (iv) of the Order is not applicable to the Company.

5. The Company has not accepted any deposit from the Public within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Further, we are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or Tribunal, in this regard.

6. In absence of any manufacturing activity carried out by the company, the requirement of maintenance of cost records under sub section 1 of section 148 of the Companies Act, 2013 are not applicable to the Company during the year under audit.

7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the material statutory dues such as Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Services tax, Service tax, Custom duty, Excise duty, Value added Tax, cess etc. are not applicable to the company for the year under review. Accordingly, reporting under this clause is not applicable to the company.

   (b) According to the information and explanations given to us, there is no due under dispute for the Income Tax, Sales Tax, Value added Tax, Excise Duty and Service Tax, GST and other material statutory dues as at 31st March, 2019.

8. In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of account, the company has not taken any loans or borrowing from any financial institution, banks, government or there are no amount due to debenture holders during the year, hence, reporting under this clause is not applicable to the company for the year under review.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The Company has not availed any term loans during the year.

10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations given to us and on the basis of our examination of the books of account, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 (with schedule V) of the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. 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.

15. 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 to the Company.

16. In our opinion and according to the information & explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

sd/-

Karnik K. Shah
Partner
Membership No.: 129675

Place: Ahmedabad
Date: May 2, 2019

"**ANNEXURE B" TO THE AUDITORS' REPORT**

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the act")

We have audited the internal financial controls over financial reporting of **VIOLIO HEALTHCARE LIMITED** ("the company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial control 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.

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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Controls and, both issued by the 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 control 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 Judgement, including the assessment of the 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 March 31, 2019, 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 **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Place: Ahmedabad
Date: May 2, 2019

sd/-

Karnik K. Shah
Partner
Membership No.: 129675

Violio Healthcare Limited
Balance Sheet as at March 31, 2019

Particulars	Note No.	INR As at March 31 2019
ASSETS:		
Current Assets:		
Financial Assets:		
Cash and Cash Equivalents	3	**492,587**
		492,587
Total		**492,587**
EQUITY AND LIABILITIES:		
Equity:		
Equity Share Capital	4	**500,000**
Other Equity	5	**(17,413)**
		482,587
Current Liabilities:		
Financial Liabilities:		
Other Current Liabilities	6	**10,000**
		10,000
Total		**492,587**
Significant Accounting Policies	2	
Notes to the Financial Statements	1 to 13	

As per our report of even date
For Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration Number: 106625W

Sd/-	Sd/-	Sd/-
Karnik K Shah	Jyotindra B Gor	Chimanlal P Patel
Partner	Director	Director
Membership Number:129675		
Ahmedabad, Dated: May 2, 2019		

Violio Healthcare Limited

Statement of Profit and Loss for the period beginning from March 20, 2018 to March 31, 2019

Particulars	**Note No.**	**INR Year ended Mar 31, 2019**
Total Income		**-**
EXPENSES:		
Finance Costs	7	**118**
Other Expenses	8	**17,295**
Total Expenses		**17,413**
Loss before Tax		**(17,413)**
Less: Tax Expense:		
Current Tax		**-**
Deferred Tax		**-**
		-
Loss for the period		**(17,413)**
Other Comprehensive Income for the period [Net of tax]		**-**
Total Comprehensive Income for the period [Net of Tax]		**(17,413)**
Basic & Diluted Earning per Equity Share [EPS] [in Rupees]	9	**(0.35)**
Significant Accounting Policies	2	
Notes to the Financial Statements	1 to 13	

As per our report of even date
For Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration Number: 106625W

Sd/-	Sd/-	Sd/-
Karnik K Shah	Jyotindra B Gor	Chimanlal P Patel
Partner	Director	Director
Membership Number:129675		
Ahmedabad, Dated: May 2, 2019		

Violio Healthcare Limited

Statement of Changes in Equity for the period ended March 31, 2019

a Equity Share Capital:

	No. of Shares	INR
Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:		
As at March 19, 2018	-	-
Issued and subscribed during the year	50,000	500,000
As at March 31, 2019	50,000	500,000

b Other Equity:

Retained Earning	INR
As at March 19, 2018	-
Less: Loss for the year	(17,413)
As at March 31, 2019	(17,413)

As per our report of even date
For Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration Number: 106625W

Sd/-	Sd/-	Sd/-
Karnik K Shah	Jyotindra B Gor	Chimanlal P Patel
Partner	Director	Director
Membership Number:129675		
Ahmedabad, Dated: 2nd May, 2019		

Violio Healthcare Limited

Note: 1-Company overview:

Violio Healthcare Limited ["the Company"], a Company limited by shares, incorporated and domiciled in India, plans to operates as an integrated pharmaceutical company. The registered office of the Company is located at House No.:3, Sigma Commerce Zone, Nr. Iskon Temple, Sarkhej-Gandhinagar Highway, Ahmedabad - 380015.

These financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 2, 2019.

Note: 2-Significant Accounting Policies:

A The following note provides list of the significant accounting policies adopted in the preparation of these financial statements.

1 Basis of preparation:

A The financial statements are in compliance with the Indian Accounting Standards [Ind AS] notified under the Companies [Indian Accounting Standards] Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

2 Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Critical judgments:

a Taxes on Income:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions and possibility of utilisation of Minimum Alternate Tax [MAT] Credit in future.

b Contingent liabilities:

Significant judgment is involved in determining whether there is a possible obligation, that may, but probably will not require an outflow of resources.

3 Revenue Recognition:

A The Company has applied Ind AS 115 - Revenue from Contracts with Customers which is effective for an annual period beginning on or after April 1, 2018. The following is the significant accounting policy related to revenue recognition under Ind AS 115.

a Sale of Goods:

Revenue from the sale of goods will be recognized as revenue on the basis of customer contracts and the performance obligations contained therein. Revenue will be recognised at a point in time when the control of goods or services is transferred to a customer. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries will be recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of significant risks and rewards and acceptance by the customer.

B Goods and Service Tax [GST] is not received by the Company on its own account. Rather, it is a tax collected on value added to the goods by the Company on behalf of the government. Accordingly, it is excluded from revenue.

C The specific recognition criteria described below must also be met before revenue is recognised:

a Interest Income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

b Other Income:

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

4 Taxes on Income:

Tax expenses comprise of current and deferred tax.

A Current Tax:

a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Current tax items are recognised in co-relation to the underlying transaction either in Statement of Profit and Loss, OCI or directly in equity.

B Deferred Tax:

a Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

b Deferred tax liabilities are recognised for all taxable temporary differences.

c Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

d Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

e Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

f Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against

5 Cash and Cash Equivalents:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

6 Provisions, Contingent Liabilities and Contingent Assets:

A Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure of contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

B If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

7 Dividends :

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

8 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A Financial assets:

a Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognised on the settlement date, trade date, i.e., the date that the Company settle commits to purchase or sell the asset.

b Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

i Debt instruments at amortised cost:

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate [EIR] method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the statement of profit or loss.

ii Debt instruments at fair value through other comprehensive income [FVTOCI]:

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets
- The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii Debt instruments and derivatives at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as at FVTPL.

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Note: 2-Significant Accounting Policies-Continued:

c Derecognition:

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Company's balance sheet] when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either [a] the Company has transferred substantially all the risks and rewards of the asset, or [b] the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. When the Company has transferred the risk and rewards of ownership of the financial asset, the same is derecognised.

d Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a Financial assets that are debt instruments, and are measured at amortised cost

b Trade receivables or any contractual right to receive cash or another financial asset

For Recognisition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance , i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

B Financial liabilities:

a Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

Subsequently all financial liabilities are measured as amortised cost except for loans and borrowings, as described below:

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

c Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Note: 2-Significant Accounting Policies-Continued:

C Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

D Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

B Standards issued but not yet effective:

The Ministry of Corporate Affairs has issued Companies [Indian Accounting Standards] Amendment Rules, 2019 and Companies [Indian Accounting Standards] Second Amendment Rules on March 30, 2019, which notified the following standards and amendments to Ind AS applicable effective from April 1, 2019:

Ind AS 116 – Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The standard introduces a single lessee accounting model, requiring lessees to recognize right-of-use assets for granted rights of use and corresponding lease liabilities. However, Ind AS 116 contains the option of exercising exemptions for the recognition of short-term leases and those pertaining to low-value assets.

The Company will adopt Ind AS 116 effective from April 1, 2019, the Company will apply the standard to its leases, retrospectively, without restating the comparative figures. On the date of transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. On the date of initial application, the Company will recognise a lease liability measured at the present value of the remaining lease payments, using the incremental borrowing rate as of that date and right-of-use asset will be measured at the amount equal to lease liability adjusted for accrual and prepayment. Initial direct costs will not be taken into account in the measurement of the right-of-use asset as of the date of first-time application. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Company is in the process of evaluating the impact of Ind AS 116.

Ind AS 12 – Income Taxes:

A The Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit [or loss], tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit [tax loss], tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

a. Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight, and
b. Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

B The Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on after April 1, 2019. The Company is in the process of evaluating the impact.

Violio Healthcare Limited
Notes to the Financial Statements

	INR
	As at March 31
	2019
Note: 3-Cash and Cash Equivalents:	
Balances with Banks [*]	492,587
Cash on Hand	-
Total	492,587
[*] Earmarked balances with banks:	
A Balances with Banks include:	
i Balances in unclaimed dividend accounts	-
i Balances to the extent held as margin money deposits against Guarantee	-
B Bank deposits with maturity of more than 12 months	-
C There are no amounts of cash and cash equivalent balances held by the entity that are not available for use by the Company.	
Note: 4-Equity Share Capital:	
Authorised:	
50,000 Equity Shares of INR 10/- each	500,000
	500,000
Issued, Subscribed and Paid-up:	
50,000 Equity Shares of INR 10/- each, fully paid-up	500,000
Total	500,000
A There is no change in the number of shares as at the beginning and end of the year.	
Number of shares at the beginning of the year	-
Add: Shares issued during the year	50,000
Number of shares at the end of the year	50,000
B The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.	
C Details of Shareholder holding more than 5% of aggregate Equity Shares of INR 10/- each	
All Equity Shares are held by holding company, Zydus Healthcare Limited and its nominees	
Number of Shares	50,000
% to total share holding	100.00%
D The company has been incorporated on March 20, 2018. Hence, Previous year figures has not been disclosed in the financial statements.	
Note: 5-Other Equity:	
Retained Earnings:	
Balance as per last Balance Sheet	-
Add: Loss for the year	(17,413)
Balance as at the end of the year	(17,413)
Total	(17,413)
Note: 6-Other Current Financial Liabilities:	
Audit Fees Payable	10,000
Total	10,000
Note: 7-Finance Cost:	
Bank commission & charges	118
Total	118

Violio Healthcare Limited

Notes to the Financial Statements

		INR
		Year ended March 31
		2019
Note: 8-Other Expenses:		
Legal and Professional Fees [*]		**10,000**
Miscellaneous Expenses		**7,295**
Total		**17,295**
[*] Legal and Professional Fees include:		
Payment to the Statutory Auditors [excluding GST]:		
i - As Auditor		**10,000**
- For Other Services		**-**
- Total		**10,000**
Note: 9-Calculation of Earnings per Equity Share [EPS]:		
The numerators and denominators used to calculate the basic and diluted EPS are as follows:		
A Loss attributable to Shareholders	INR	**(17,413)**
B Basic and weighted average number of Equity shares outstanding during the year	Numbers	**50,000**
C Nominal value of equity share	INR	**10**
D Basic & Diluted EPS	INR	**(0.35)**

Note: 10-Related Party Transactions:

A Name of the Related Parties and Nature of the Related Party Relationship with whom transactions have taken place:

a Holding Company: Zydus Healthcare Limited

b Holding Company of Zydus Healthcare Limited Cadila Healthcare Limited

c Subsidiary Company of Zydus Healthcare Limited Acme Pharmaceuticals Private Limited

d Subsidiary Companies of Cadila Healthcare Limited

Dialforhealth India Limited	Zydus Pharmaceuticals (USA) Inc. [USA]
Dialforhealth Unity Limited	Nesher Pharmaceuticals (USA) LLC [USA]
Dialforhealth Greencross Limited	Zydus Healthcare (USA) LLC [USA]
Zydus Wellness Limited	Sentynl Therapeutics Inc. [USA]
M/s. Zydus Wellness-Sikkim, a Partnership Firm [#]	Zydus Noveltech Inc. [USA]
Zydus Nutritions Limited [#]	Hercon Pharmaceuticals LLC [USA]
Liva Pharmaceuticals Limited	Viona Pharmaceuticals Inc. [USA]
Liva Nutritions Limited	ZAHL B.V. [the Netherlands]
Liva Investment Limited	ZAHL Europe B.V. [the Netherlands]
Heinz India Private Limited	Bremer Pharma GmbH [Germany]
Zydus Technologies Limited	Windlas Inc [USA]
Alidac Pharmaceuticals Limited	Zydus Healthcare S.A. (Pty) Ltd [South Africa]
Violio Pharmaceuticals Limited	Simayla Pharmaceuticals (Pty) Ltd [South Africa]
Windlas Healthcare Private Limited	Script Management Services (Pty) Ltd [South Africa]
Zydus Foundation	Zydus France, SAS [France]
Zydus Lanka (Private) Limited [Sri Lanka]	Laboratorios Combix S.L. [Spain]
Zydus Healthcare Philippines Inc. [Philippines]	Zydus Nikkho Farmaceutica Ltda. [Brazil]
Zydus International Private Limited [Ireland]	Zydus Pharmaceuticals Mexico SA De CV [Mexico]
Zydus Netherlands B.V. [the Netherlands]	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
Etna Biotech S.R.L. [Italy]	
Alidac Healthcare (Myanmar) Limited [Myanmar]	Zydus Worldwide DMCC [Dubai]
Zydus Discovery DMCC [Dubai]	

[#] M/s. Zydus Wellness- Sikkim, a partnership firm, was converted into a public limited company, in the name of Zydus Nutritions Limited, w.e.f. February 28, 2019.

e Joint Venture Companies:

Zydus Hospira Oncology Private Limited	Bayer Zydus Pharma Private Limited
Zydus Takeda Healthcare Private Limited	US Pharma Windlas LLC

Violio Healthcare Limited
Notes to the Financial Statements

Note: 10-Related Party Transactions-Continued:

f Key Managerial Personnel:

Mr. Chimanlal P Patel	Director
Mr. Jyotindra B Gor	Director
Mr. Rajib Baidya	Director

B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business and at arm's length terms:

a Details relating to parties referred to in Note 10-A [a]

	Holding Company
Nature of Transactions	**2019**
Subscription of Share Capital	
Zydus Healthcare Limited	**500,000**

There are no transaction with parties mentioned in 10-A [b, c, d, e & f]

Note: 11-Financial Risk Management:

A Financial instruments by category:

	As at March 31			
	2019			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Cash and Cash Equivalents			492,587	**492,587**
Total	-	-	**492,587**	**492,587**
Financial liabilities:				
Other Current Financial Liabilities			10,000	**10,000**
Total	-	-	**10,000**	**10,000**

Violio Healthcare Limited
Notes to the Financial Statements

Note: 11-Financial Risk Management- Continued:

B Risk Management:

The Company's activities expose it to liquidity risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below:

a Liquidity risk:

a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

b Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal regulatory requirements and maintaining debt financing plans.

c **Maturities of financial liabilities:**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	As at March 31				
	< 1 year	**1-2 year**	**2-3 year**	**> 3 years**	**Total**
	2019				
Non-derivative Financial Liabilities:					
Other Current Financial Liabilities	10,000	-	-	-	**10,000**
Total	**10,000**	**-**	**-**	**-**	**10,000**

Note: 12:

The Company has losses under tax laws during the year, resulting in to deferred tax assets. However, considering principle of prudence, deferred tax assets are not recognised in absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Note: 13:

Pursuant to sub-section 41 of section 2 of the Companies Act, 2013 and the rules made thereunder, if the Company is incorporated on after the 1st day of January of a year, the first financial year of the Company will be from the date of the incorporation till the period ending on 31st day of March of the following. In view of the above provision, the financial statements of the company are prepared for the period beginning from March 20, 2018 to March 31, 2019. Hence, previous year figures has not been disclosed in financial statements.

Signatures to Significant Accounting Policies and Notes 1 to 13 to the Financial Statements

As per our report of even date
For Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration Number: 106625W

Sd/-	Sd/-	Sd/-
Karnik K Shah	Jyotindra B Gor	Chimanlal P Patel
Partner	Director	Director
Membership Number:129675		
Ahmedabad, Dated: May 2, 2019		

Violio Healthcare Limited

Cash Flow Statement for the year ended March 31, 2019

	Particulars	INR For the year ended March 31 2019
A	**Cash Flows from Operating Activities:**	
	Loss before Tax	(17,413)
	Adjustments for non operating activities	-
	Operating loss before working capital changes	(17,413)
	Adjustments for:	
	Increase in other current liabilities	10,000
	Cash generated from operations	(7,413)
	Direct taxes paid [Net of refunds]	-
	Net cash from operating activities	(7,413)
B	**Cash Flows from Investing Activities:**	
	Net cash used in investing activities	-
C	**Cash Flows from Financing Activities:**	
	Amount received from Issue of Share Capital	500,000
	Net decrease in cash and cash equivalents	492,587
	Cash and cash equivalents at the beginning of the year	-
	Cash and cash equivalents at the end of the year	492,587

Notes to the Cash Flow Statement

1 All figures in brackets are outflows.

2 Previous year's figures have been regrouped wherever necessary.

3 Cash and cash equivalents at the end [beginning] of the year includes INR Nil [INR Nil] not available for immediate use.

As per our report of even date

For Mukesh M. Shah & Co.,

Chartered Accountants

Firm Registration No. 106625W

Sd/-	Sd/-	Sd/-
Karnik K Shah	Jyotindra B Gor	Chimanlal P Patel
Partner	Director	Director
Membership Number:129675		
Ahmedabad, Dated: May 2, 2019		