

Independent Auditor's Report

To the Members of Reliance Life Sciences BV

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Life Sciences BV** ("the Company"), having its registered office at Hoogoorddreef 15, 1101 BA Amsterdam, Netherlands, which comprise the Balance Sheet as at March 31, 2015, 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Restriction on use:

Our report is intended solely for comply with requirements of Section 136(1) and 137(1) of the Companies Act, 2013 with regards to circulation and filling of financial statement of foreign subsidiary of Reliance Life Sciences Private Limited, the holding company and will not be suitable for any other purpose.

For Chaturvedi & Shah**Firm Registration No.: 101720W****Chartered Accountants**

Sd/-

Jignesh Mehta**Partner****Membership No.: 102749**

Place: Mumbai

Date: September 25, 2015

Reliance Life Sciences B. V.
Balance Sheet as at 31st March, 2015

(Rs. in Lakh)
As at
31st March, 2014

	Note	As at 31st March, 2015		As at 31st March, 2014
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	1	18,940.07	23,307.93	
Reserves and Surplus	2	<u>(551.98)</u>	<u>18,388.09</u>	<u>22,659.25</u>
Non-Current Liabilities				
Long Term Borrowings	3		9,730.34	11,974.30
Other Long Term Liabilities	4		-	2,862.02
Current Liabilities				
Trade Payables			20.07	12.77
TOTAL			<u>28,138.50</u>	<u>37,508.34</u>
ASSETS				
Non-Current Assets				
Non-current investments	5	18,619.33	22,913.22	
Long-term loans and advances	6	9,512.98	11,706.81	
Other Non Current Assets	7	<u>-</u>	<u>28,132.31</u>	<u>37,503.68</u>
Current Assets				
Cash and Bank Balances	8	5.06	4.51	
Short-term loans and advances	9	<u>1.13</u>	<u>6.19</u>	<u>4.66</u>
TOTAL			<u>28,138.50</u>	<u>37,508.34</u>

Significant Accounting Policies
Notes on Financial Statements
As per our Report of even date

1 to 17

For Chaturvedi & Shah
Chartered Accountants
Firm Regn No. – 101720W

For and on behalf of the Board

Sd/-
Jignesh Mehta
Partner
Membership No. --102749
Place : Navi Mumbai
Date: September 25, 2015

Sd/-
Vinay Ranade
Director

Reliance Life Sciences B. V.
Statement of Profit and Loss for the year ended 31st March, 2015

(Rs. in Lakh)

	Note	2014-15	2013-14
INCOME			
Interest Income	10	-	803.66
Total Revenue		<u>-</u>	<u>803.66</u>
Expenses			
Interest Expenses	11	-	792.66
Other expenses	12	28.69	7.74
Total Expenses		<u>28.69</u>	<u>800.40</u>
Profit/ (Loss) before tax		(28.69)	3.26
Tax Expense:			
Current Tax		-	-
Profit/ (Loss) for the year		<u>(28.69)</u>	<u>3.26</u>
Earnings per ordinary share of face value of Rs 67.19 (Previous year Rs 82.68)			
Basic	13	(79.69)	9.06
Diluted	14	(79.69)	9.06

Significant Accounting Policies
Notes on Financial Statements
As per our Report of even date

1 to 17

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Jignesh Mehta
Partner
Membership No. --102749
Place : Navi Mumbai
Date: September 25, 2015

Vinay Ranade
Director

Reliance Life Sciences B. V.

Cash Flow Statement for the year 2014-15

	2014-15	(Rs. in Lakh) 2013-14
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax as per Statement of Profit and Loss	(28.69)	3.26
Adjusted for:		
Interest Income	-	(803.66)
Accrued Interest Writeoff/Write back (net)	20.29	-
Exchange Gain/loss(net)	0.27	(0.16)
Interest expenses	-	792.66
	<u>20.56</u>	<u>(11.16)</u>
Operating Profit/(loss) before Working Capital Changes	(8.13)	(7.90)
Adjusted for:		
Trade and Other Receivables	(1.00)	0.36
Trade and Other Payables	9.69	5.75
	<u>8.69</u>	<u>6.11</u>
Cash Generated/(used) from Operations	0.56	(1.79)
Taxes Paid	-	-
Net Cash from/ (used in) Operating Activities	0.56	(1.79)
B: CASH FLOW FROM INVESTING ACTIVITIES:	-	-
C: CASH FLOW FROM FINANCING ACTIVITIES:	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalents	0.56	(1.79)
Opening Balance of Cash and Cash Equivalents	4.50	6.29
Closing Balance of Cash and Cash Equivalents	5.07	4.50
(Refer Note No. 8)		

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Regn No. – 101720W

Sd/-
Jignesh Mehta

Partner
Membership No. --102749
Place : Navi Mumbai
Date: September 25, 2015

For and on behalf of the Board

Sd/-

Vinay Ranade
Director

Reliance Life Sciences B. V.

SIGNIFICANT ACCOUNTING POLICIES

Reliance Life Sciences B.V. incorporated in Netherlands is having its registered office at Claude Debussylaan 18, 1082MD Amsterdam, Postbus 94167, 1090GD Amsterdam, Netherlands. These Financial Statements are prepared in Euro being reporting currency in the country of incorporation.

A Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India.

B Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

C Foreign Currency Transactions

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of transaction.
- b) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- c) Non monetary foreign currency items are carried at cost.
- d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they are related to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

D Investments

Current Investments are stated at lower of cost and quoted /fair value, computed category wise. Long Term investments are stated at cost. Provision for diminution in value of long-term investment is made only if such a decline is other than temporary.

E Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Dividend income is recognised when right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

F Provision for Tax

Provision for tax is made after taking into consideration benefits admissible under provisions of the taxation laws of Netherlands.

G Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

The previous year figures have been regrouped/ reclassified, wherever necessary to the current year presentation.

1 SHARE CAPITAL

		As at 31st March, 2015	(Rs. in Lakh) As at 31st March, 2014
Authorised Share Capital:			
10,000,000 (10,000,000)	Ordinary Shares of Rs 67.19 each (Previous year Rs 82.68 each) (Equivalent to Euro 1 each)	6,719.00	8,268.50
40,000,000 (40,000,000)	Preference Shares of Rs 67.19 each (Previous year Rs 82.68 each) (Equivalent to Euro 1 each)	26,876.00	33,074.00
		<u>33,595.00</u>	<u>41,342.50</u>
Issued, Subscribed and Paid-up:			
Fully Paid-up			
36,000 (36,000)	Ordinary Shares of Rs 67.19 each (Previous year Rs 82.68 each) (Equivalent to Euro 1 each)	24.19	29.77
28,152,819 (28,152,819)	5% Non-Cumulative Compulsorily Convertible Preference Shares of Euro 1Rs 67.19 each (Previous year Rs 82.68 each) (Equivalent to Euro 1 each)	18,915.88	23,278.16
TOTAL		<u>18,940.07</u>	<u>23,307.93</u>

1.1 Reconciliation of Ordinary shares Outstanding at the beginning and at the end of the year

Particulars	As at 31st March, 2015	As at 31st March, 2014
Ordinary Shares at the beginning	36000	36000
Add : Shares issued during the year	-	-
Less : Shares cancelled during the year	-	-
Ordinary Shares at the end of the year		36000

1.2 Reconciliation of 5% Non-Cumulative Compulsorily Convertible Preference Shares Outstanding at the beginning and at the end of the year

Particulars	As at 31st March, 2015	As at 31st March, 2014
Preference Shares at the beginning	28152819	28152819
Add : Shares issued during the year	-	-
Less : Shares cancelled during the year	-	-
Preference Shares at the end of the year	28152819	28152819

Reliance Life Sciences B. V.

Notes on Financial Statements for the year ended 31st March, 2015

1.3 The details of Ordinary Shareholders holding more than 5% shares:

Name of Shareholders	As at 31st March, 2015		As at 31st March, 2014	
	No of Shares	%held	No of Shares	%held
Reliance Life Sciences Private Limited	36,000	100%	36,000	100%

1.4 The details of Preference Shareholder holding more than 5% shares:

Reliance Life Sciences Private Limited	2,81,52,819	100%	2,81,52,819	100%
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- 1.5 The 5% Non-cumulative compulsorily convertible preference shares will have to be converted into ordinary shares, at any time during the first 5 years at fair value of the ordinary shares and at any time after 5 years till 10 years at a discount of 10% to the fair value of the ordinary shares.

At the end of 10 years, the preference shares shall be mandatorily converted into ordinary shares at a discount of 10% to the fair value of ordinary shares.

2 RESERVES AND SURPLUS

Surplus/ (Deficit) in Statement of Profit and Loss	As at		<i>(Rs. in Lakh)</i>	
	31st March, 2015		As at 31st March, 2014	
As per last Balance Sheet	(527.11)		(651.99)	
Add: Profit/ (Loss) for the year	<u>(28.69)</u>	<u>(555.80)</u>	<u>3.26</u>	<u>(648.73)</u>
Foreign Currency Translation Reserve#		3.82		0.05
TOTAL		<u>(551.98)</u>		<u>(648.68)</u>

The Company maintains its books of account in Euro. However, these financial statements have been presented in Indian Rs. in Lakh by translating the balance sheet items and items of Statement of Profit and Loss at the closing rate of exchange and the average rate of exchange respectively. The resultant difference has been recorded as Foreign Currency Translation Reserve.

3 LONG TERM BORROWINGS

Other Loans-Unsecured	As at		<i>(Rs. in Lakh)</i>	
	31st March, 2015		As at 31st March, 2014	
Loan from Holding Company (Refer Note No. 15)		9,730.34		11,974.30
TOTAL		<u>9,730.34</u>		<u>11,974.30</u>

- 3.1 Loans from Holding Company is repayable in three equal annual installments starting from March 31, 2017. The Loan doesn't carry any interest with effect from April 01, 2014

4 OTHER LONG TERM LIABILITIES

	As at 31st March, 2015	(Rs. in Lakh) As at 31st March, 2014
Others		
Interest accrued but not due on borrowings from Holding Company (Refer Note No. 15)	-	2,862.02
TOTAL	<u>-</u>	<u>2,862.02</u>

5 NON-CURRENT INVESTMENTS

(Long Term Investments)

	As at 31st March, 2015	(Rs. in Lakh) As at 31st March, 2014
Trade Investments		
In Equity Shares of Subsidiary Company		
Unquoted, fully paid up		
151,602,489 Reliance GeneMedix Limited of Pound 0.10 per share (151,602,489)	18,619.33	22,913.22
TOTAL	<u>18,619.33</u>	<u>22,913.22</u>
Aggregate amount of unquoted investments	18,619.33	22,913.22

6 LONG TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

	As at 31st March, 2015	(Rs. in Lakh) As at 31st March, 2014
Loans and Advances to Related Party (Refer Note No. 15)	9,512.98	11,706.81
TOTAL	<u>9,512.98</u>	<u>11,706.81</u>

Reliance Life Sciences B. V.

Notes on Financial Statements for the year ended 31st March, 2015

7 OTHER NON CURRENT ASSETS

	As at 31st March, 2015	(Rs. in Lakh) As at 31st March, 2014
Interest Accrued with Related Party (Refer Note No. 15)	-	2,883.65
TOTAL	<u>-</u>	<u>2,883.65</u>

8 CASH AND BANK BALANCES

	As at 31st March, 2015	(Rs. in Lakh) As at 31st March, 2014
Cash and Cash Equivalents		
Balance with Bank	5.06	4.51
TOTAL	<u>5.06</u>	<u>4.51</u>

9 SHORT TERM LOANS AND ADVANCES
(Unsecured and Considered Good)

	As at 31st March, 2015	(Rs. in Lakh) As at 31st March, 2014
Balance with Revenue Authorities	0.37	0.15
Others	0.76	-
TOTAL	<u>1.13</u>	<u>0.15</u>

Reliance Life Sciences B. V.
Notes on Financial Statements for the year ended 31st March, 2015

10 INTEREST INCOME	<i>(Rs. in Lakh)</i>	
	2014-15	2013-14
Interest Income from Others	-	803.66
TOTAL	-	803.66
11 INTEREST EXPENSES	<i>(Rs. in Lakh)</i>	
	2014-15	2013-14
Interest Expenses	-	792.66
TOTAL	-	792.66
12 OTHER EXPENSES	<i>(Rs. in Lakh)</i>	
	2014-15	2013-14
General and Administration expenses		
Professional and Consultancy Fees	7.72	7.48
Exchange Rate Flctuation	-	0.01
Other Miscellaneous	0.68	0.25
Interest accrued Writeoff/Write back(Net)	20.29	-
TOTAL	28.69	7.74
13 BASIC EARNING PER SHARE	<i>(Rs. in Lakh)</i>	
	2014-15	2013-14
a) Net profit / (loss) for the year available for Ordinary shareholders. (Numerator used for calculation)	(28.69)	3.26
b) Weighted average number of Ordinary shares (Denominator used for calculation)	36 000	36 000
c) Basic Earning per share (Rs)	(79.69)	9.06
d) Face Value per Ordinary Share (Rs)	67.19	82.69

14 DILUTED EARNING PER SHARE

	2014-15	(Rs. in Lakh) 2013-14
a) Net profit / (loss) for the year available for Ordinary shareholders. (Numerator used for calculation)	(28.69)	3.26
b) Weighted average number of Ordinary shares	36 000	36 000
Add: Weighted average potential number of Ordinary shares *	-	-
Weighted average number of diluted Ordinary shares (Denominator used for calculation)	36 000	36 000
c) Diluted Earning per share (Rs)	(79.69)	9.06
d) Face Value per Ordinary Share (Rs)	67.19	82.69

* The Company carries dilutive capital in the form of 5% Non Cumulative Compulsorily Convertible Preference Shares. However Preference Shares are convertible at fair value of Ordinary shares at the time of conversion; hence the number of Ordinary shares to be issued is presently not ascertainable; therefore these are not considered for calculation of dilutive earning per share.

15 RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below :

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Life Sciences Private Limited	Holding Company
2	Reliance GeneMedix Limited, U.K.	Subsidiary Company

(ii) Transactions during the year with related parties (excluding reimbursements):

Sr. No.	Nature of Transaction	(Rs. in Lakh)	
		2014-15	2013-14
		Holding Company	
1	Interest Expenses	-	792.66
2	Accrued Interest Write back	2,862.02	-
		Subsidiary	
3	Interest Income	-	803.66
4	Accrued Interest Writeoff	2,883.65	-
		Balances as at	Balances as at
		31st March, 2015	31st March, 2014
		Holding Company	
5	Unsecured Loans	9,730.34	11,974.30
6	Other Long Term Liabilities	-	2,862.02
		Subsidiary	
7	Investments	18,619.33	22,913.22
8	Loans & Advances given	9,512.98	11,706.81
9	Other Assets (Non Current and Current)	-	2,883.65

Disclosure in Respect of Material Related Party Transactions during the year:

- 1 Interest expenses include to Reliance Life Sciences Private Limited Nil (Previous Year Rs 792.66 Lakh).
- 2 Interest Accrued write back include writeback of interest payable to Reliance Life Sciences Private Limited Rs 2862.02 Lakh (Previous Year NIL).
- 3 Interest Income include from Reliance Genemedix Limited Nil (Previous year Rs 803.66 Lakh).
- 4 Interest Accrued writeoff include interest receivable from Reliance Genemedix Limited Rs 2883.65 Lakh (Previous year Nil)
- 5 Unsecured Loans balances include Reliance Life Sciences Private Limited Rs 9730.34 Lakh (Previous Year Rs 11973.30 lakh).
- 6 Other Long Term Liabilities include Interest Accrued but not due on borrowings to Reliance Life Sciences Private Limited Nil (Previous Year Rs 2862.02 Lakh).
- 7 Loans & Advances given include Reliance Genemedix Limited Rs 9512.98 Lakh (Previous Year Rs 11706.81 Lakh).
- 8 Other Assets include Interest Accrued but not due from Reliance Genemedix Limited NIL (Previous year Rs 2883.65 Lakh)

Reliance Life Sciences B. V.

Notes on Financial Statements for the year ended 31st March, 2015

- 16** The financial statements have been prepared for the limited purpose for comply with requirements of Section 136(1) and 137(1) of the Companies Act, 2013 with regards to circulation and filling of Financial statement of foreign subsidiary of Reliance Life Sciences Private Limited, the holding company and will not be suitable for any other purpose. The figures of the previous year as certified by the management and are un-audited.
- 17** The Activities of the company mainly comprise of Investment and all other activities revolve around its main business. As such there are no separate reportable segments and hence information as required by Accounting Standard - 17 on Segment Reporting is not given.

As per our Report of even date

For Chaturvedi & Shah

Chartered Accountants

Firm Regn No. – 101720W

Sd/-

Jignesh Mehta

Partner

Membership No. --102749

Place : Navi Mumbai

Date: September 25, 2015

For and on behalf of the Board

Sd/-

Vinay Ranade

Director