

*Dharmendra  
& Khajanchi*

**Chartered Accountants**

## **INDEPENDENT AUDITORS' REPORT**

To,  
The Members  
**INFINION BIOPHARMA LIMITED**  
Ahmedabad

### **Opinion**

We have audited the standalone financial statements of **INFINION BIOPHARMA LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss 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 standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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



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relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

### **Responsibility of Management for Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance 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 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.



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

### **Auditor's Responsibilities for the of 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:

- 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.
- 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.



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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



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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 standalone 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**

- (i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (ii) As required by Section 143(3) of the Act, we report that:

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.



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- a) 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.
- b) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of accounts.
- c) 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.
- d) 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.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- f) 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:



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- 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 : Ahmedabad

Date : 27.09.2019



For, Dharmendra & Khajanchi  
Chartered Accountants,  
[FR N:- 102472W]

  
(Dharmendra Solanki)

Proprietor

[M. No. 042412]

UDIN: 19042412AAAADH8898



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**ANNEXURE-A TO THE AUDITORS REPORT**

Referred to in paragraph 5(i) of our Report of even date to the Members of **INIFINION BIOPHARMA LIMITED** for the period 16.01.2018 to 31.03.19.

**1. In respect of Fixed Assets :**

The company has no fixed assets. Hence clauses 4 (i)(a) to 4 (i)(c) relating to fixed assets are not applicable.

**2. In respect of Inventories :**

The Company has not commenced its business activity and does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

**3. In respect of Loans and Advances granted during the period:**

As regards the loans , the Company has not granted any loans , secured or unsecured during the period under audit, to the Companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under section 189 of the Companies Act , 2013 and therefore, the clauses (iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable.

**4. Loans, Investments and guarantees:**

In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments, and providing guarantees and securities, as applicable.

**5. During the period, the Company has not accepted any deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company. Therefore clauses (v) of Companies (Auditor's Report) Order, 2016 is not applicable.**

**6. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.**





**7. In respect of Statutory Dues :**

- (a) According to the records of the Company, the Company is by and large regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding as at 31.03.2019 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of income tax, service tax, duty of customs, duty of excise, value added tax, central sales tax or cess which have not been deposited on account of disputes.

8. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under Clause 3(viii) of the Order is not applicable to the Company.
9. According to the information and explanations given to us, the Company had not raised any money by way of public issue during the period. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, in our opinion, the term loans taken during the period were applied for the purpose for which they were obtained.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officer or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the provisions of special statute applicable to chit funds and nidhi / mutual benefit funds / societies are not applicable to the Company. Hence, clause 3(xii) of the Company's (Auditor's Report) Order, 2016 is not applicable.



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13. In our opinion and according to the information and explanations given to us, the transactions entered by the Company with related parties are in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 and details thereof are properly disclosed in the financial statements as required by the applicable accounting standard.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the period.
15. The Company had not entered in to any non-cash transactions with the directors or persons connected with him during the period, hence section 192 of the Companies Act, 2013 is not Applicable, hence clause (xvi) of Company's (Auditor's Report) Order, 2016 is not applicable.
16. As the Company is not required to register under section 45-IA of Reserve Bank of India Act, 1934, hence, clause (xvi) of Company's (Auditor's Report) Order, 2016 is not applicable.

Place : Ahmedabad

Date : 27.09.2019



For, Dharmendra & Khajanchi  
Chartered Accountants,  
[FR N:- 102472W]

  
(Dharmendra Solanki)

Proprietor

[M. No. 042412]

UDIN: 19042412AAAADH8898



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**Annexure B to the Auditor's Report**

**Report on the Internal Financial Controls under 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 **INFINION BIOPHARMA LIMITED** ("the Company") as of 31.03.2019 in conjunction with my audit of the standalone financial statements of the Company for the period ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my our audit. I conducted my our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I 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.



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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. My 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 risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for my 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.



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**Dharmendra  
& Khajanchi**

Opinion

**Chartered Accountants**

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 20<sup>th</sup> June 2018, based 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, M/s Dharmendra & Khajanchi**

**Chartered Accountants**

**(Firm Registration No. 102472W)**

**Place: Ahmedabad**

**Date: 27.09.2019**



A handwritten signature in black ink, appearing to be "Dharmendra Solanki".

**Dharmendra Solanki**

**Proprietor**

**(Membership No.042412)**



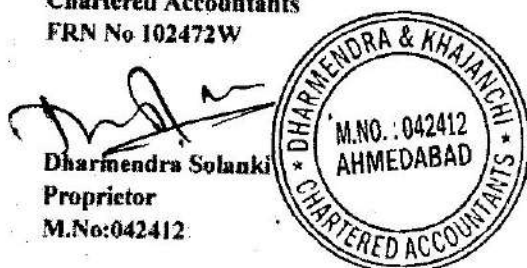
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**Infinion Biopharma Limited**  
**Balance Sheet as at 31.03.2019**

Particulars	Note	As at 31.03.2019 (Rs.)
<b><u>EQUITY AND LIABILITIES</u></b>		
<b><u>Shareholders' funds</u></b>		
Share capital	1	7,54,75,000
<b><u>Non-current liabilities</u></b>		
Long Term Borrowings	2	35,50,000
<b><u>Current liabilities</u></b>		
Other Current Liabilities	3	4,57,986
<b>TOTAL</b>		<b>7,94,82,986</b>
<b><u>ASSETS</u></b>		
<b><u>Non-current assets</u></b>		
Fixed assets	4	
Tangible assets		31,910
Intangible assets		-
Capital work-in-progress		34,86,771
<b><u>Current assets</u></b>		
Cash and cash equivalents	5	30,91,794
Other current assets	6	7,28,72,511
<b>TOTAL</b>		<b>7,94,82,986</b>

Significant Accounting Policies & Notes to the Accounts

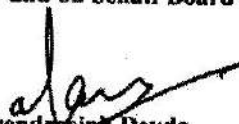
As per our report of the even date attached  
For, M/s Dharmendra & Khajanchi  
Chartered Accountants  
FRN No 102472W



Dharmendra Solanki  
Proprietor  
M.No:042412

Place: Ahmedabad  
Date: 27.09.2019

For Infinion Biopharma Limited  
CIN U51909GJ2018PLC100571  
For and on behalf Board of Directors

  
Narendrasinh Devda  
Director  
DIN 00344604

Place: Ahmedabad  
Date: 27.09.2019

  
Govindsingh B. Chavda  
Director  
DIN 07931885

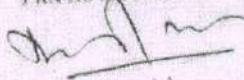


**Infinion Biopharma Limited**  
**Statement of Profit and Loss Accounts for the year ended 31st March 2019**  
**U51909GJ2018PLC100571**

Particulars	Note	Year ended 31 March 2019 (Rs.)
Revenue from operations		
Other income		
<b>Total Revenue</b>		
Expenses:		
Other expenses		3,486,771
<b>Total expenses</b>		3,486,771
Loss :-(Deficit)/Surplus Transferred to P&A Expenditure		3,486,771
Profit before exceptional and extraordinary items and tax		
Add/Less : Exceptional Items		
Profit before tax		
Tax expense:		
Current tax		
Profit (Loss) for the period		
Earnings per equity share:		
Basic & Diluted Earning Per Share		

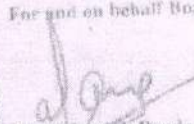
Significant Accounting Policies & Notes to the Accounts


As per our report of the even date attached  
For, M/s Dharmendra & Khajanchi  
Chartered Accountants  
FRN No 102472W

  
Dharmendra Solanki  
Proprietor  
M.No:042412  
Place: Ahmedabad  
Date: 27.09.2019



For Infinion Biopharma Limited  
CIN U51909GJ2018PLC100571  
For and on behalf Board of Directors

  
Narendrasinh Devda  
Director  
DIN 00344604

  
Govindsingh B. Chavda  
Director  
DIN 07931885

Place: Ahmedabad  
Date: 27.09.2019

<b>Infinitum Biopharma Limited</b> <b>Cash Flow Statement for the period ended on 16.01.2018 to 31.03.2019</b>	
Particulars	31.03.2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Profit (Loss) as per Profit & Loss A/c	
Adjustments for :-	
Depreciation	-
Loss/(Profit) on Sale of assets	-
Finance Cost	-
Provision for Tax	-
Deferred Tax	-
Preliminary Expenses	-
Prior Period Expenses	-
Interest Income	-
Operating profit before working capital changes	-
(Increase)/ Decrease in Inventories	-
(Increase)/ Decrease in Debtors	-
(Increase)/ Decrease in Short Term Loans & Advances	-
& Other Current Assets	-
(Increase)/ Decrease in Other Non Current Assets	(7,28,72,511)
(Increase)/ Decrease in Long Term Loans & Advances	-
(Increase)/ Decrease in Non Current portion of FDR	-
Increase/(Decrease) in Other Long Term Liability	-
Increase/(Decrease) in Trade Payable	-
Increase/(Decrease) in Other current liabilities	-
Increase/(Decrease) in Short Term Provision	-
Taxes Paid	4,57,986
<b>Net Cash flow From Operating Activities (A)</b>	<b>(7,24,14,525)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of fix assets	-
sale of fix assets	(31,910)
(Increase)/ Decrease in Capital Work in Progress	-
(Increase)/ Decrease in Investment	(34,86,771)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(35,18,681)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Increase, (Decrease) in Capital including premium	-
Increase, (Decrease) in Long Term Borrowing	7,54,75,000
Increase, (Decrease) in Short Term Borrowing	35,50,000
Interest Income	-
Interest paid	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>7,90,25,000</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b> <b>(A + B + C)</b>	
Cash & Cash Equivalents at beginning of period	36,91,794
Cash & Cash Equivalents at End of Period	30,01,794
Balance with banks to the extent held as Margin Money	-
Cash & Cash Equivalents at End of Period	30,01,794

A. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in accounting Standard 3 'Cash Flow Statement' issued by the Institute of Chartered accountants of India.

For, M's Dharmendra & Khajanchi  
Chartered Accountants  
FRN No 102472W



Dharmendra Solanki  
Proprietor  
Membership No: 042412  
Place: Ahmedabad  
Date: 27.09.2019

For Infinitum Biopharma Limited  
CIN: U51909GJ2018PLC100571  
For and on behalf Board of Directors

Narendrasinh Devada  
Director  
DIN: 00344604  
Place: Ahmedabad  
Date: 27.09.2019

Gorindrasinh Chavda  
Director  
DIN: 07931885

**Notes to Accounts**

<b>Note 1 : Share capital</b>		
<b>Share Capital</b>	<b>31.03.2019</b>	
	<b>Number</b>	<b>Amount</b>
<b>Authorised</b>		
17500000 Equity Shares of Rs.10 each	17,500,000	175,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
7547500 equity shares of Rs. 10 each fully paid up	7,547,500	75,475,000
<b>Total</b>	<b>7,547,500</b>	<b>75,475,000</b>

<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period</b>		
<b>Particulars</b>	<b>31.03.2019</b>	
	<b>Number</b>	<b>Amount</b>
Shares outstanding at the beginning of the year	-	-
Shares Issued during the period	7,547,500	75,475,000
Shares bought back during the period	-	-
Shares outstanding at the end of the period	7,547,500	75,475,000

**Shares in the company held by each shareholder holding more than 5 percent shares**

<b>Name of Shareholder</b>	<b>31.03.2019</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>
Gautam Bali	3000000	39.75%
Vishal Jain	2004995	26.57%
Axon Healthcare Investments Limited U.K.	2247500	29.78%

<b>Note 2 : Long Term Borrowings</b>	
<b>Particulars</b>	<b>31.03.2019</b>
<b>Unsecured</b>	
Govindsinh Bhavansinh	1,350,000
Vishal Jain	2,200,000
<b>Total</b>	<b>3,550,000</b>



<b>Note 3 : Other Current Liabilities</b>	
<b>Particulars</b>	<b>31.03.2019</b>
<b>Creditors for Expenses</b>	<b>132,089</b>
<b>Statutory Dues</b>	<b>131,166</b>
<b>Share Application Money</b>	<b>194,731</b>
<b>Total</b>	<b>457,986</b>

<b>Note 4 : Cash and cash equivalents</b>	
<b>Particulars</b>	<b>31.03.2019</b>
<b>Cash and cash Equivalents</b>	
<b>Bank Balances</b>	<b>3,071,794</b>
<b>Cash on hand</b>	<b>20,000</b>
	<b>3,091,794</b>

<b>Note 5 : Other Current Assets</b>	
<b>Particulars</b>	<b>31.03.2019</b>
<b>(Unsecured, considered good)</b>	
<b>Preliminary expenses</b>	<b>2,099,350</b>
<b>Share Application Money</b>	<b>70,200,563</b>
<b>Rent Deposit</b>	<b>150,000</b>
<b>GST Receivable</b>	<b>380,098</b>
<b>Advance to Creditors for Expenses</b>	<b>42,500</b>
<b>Total</b>	<b>72,872,511</b>





## INFINION BIOPHARMA LIMITED

### Note : 6 SIGNIFICANT ACCOUNTING POLICIES

#### i) Basis of Preparation of financial Statements

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### ii) Use of estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### iii) Fixed Assets:

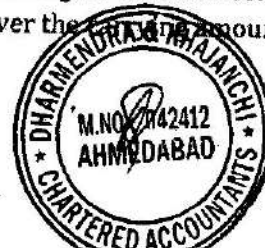
**Tangible Fixed Assets (Property, Plant & Equipment):** Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. They are stated at historical costs.

#### iv) Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any.

#### v) Impairment of Assets

In accordance with accounting standard 28 on 'Impairment of assets', the Company assesses at each balance sheet date whether there is an indication that assets of the Company may be impaired. Where any such indication exists the company estimates the recoverable amount of the assets. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated at the higher of its net selling price and its value in use. An impairment charge is recognized whenever the carrying amount of the asset or cash-generating unit exceeds its recoverable amount.



**vi) Depreciation / Amortization**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on all tangible fixed assets is provided on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Any addition or extension to an existing asset which is of a capital nature and which becomes an integral part of the existing asset is depreciated at the rate which is applied to the existing asset. Depreciation on sale of assets is provided till the date of sale. Depreciation on tangible assets is ceased when a fixed asset is retired from active use and held for disposal or is disposed off. Intangible fixed assets in the nature of software are amortized over a period of 6 years. Amortization of an intangible asset commences when the asset is available for use and ceases when the asset is retired from active use or is disposed off. Residual value for the purpose of amortization is taken as zero. At each balance sheet date, the company reviews the amortization period and amortization method and the amortisation period is revised to reflect the changed pattern, if any.

**vii) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments.

Current investments are carried at lower of cost and net realizable value. Long term investments are carried at cost less provision for diminution, other than temporary in the value of investment.

**viii) Revenue Recognition**

Income and expenditure are generally recognised on accrual basis in accordance with the applicable accounting standards and provision is made for all known losses and liabilities. In respect of other business income the company follows the practice of accounting for such income on accrual basis.

Interest on deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction based on reasonable certainty of receipt. Interest on advances is recognized when the ultimate collection is not uncertain.

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

**ix) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.





## INFINION BIOPHARMA LIMITED

### x) Earning per Share

Basic EPS is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti dilutive. The number of equity shares is adjusted for any share splits and bonus shares issued effected prior to the approval of the financial statements by the Board of Directors.

### xi) Inventory

Raw materials, work in progress, finished goods, packing materials, stores, spares and consumables are carried at the lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are value at net realizable value.

In determining cost of raw material, packing material, stores, spares and consumables, First in first out method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work in progress includes the cost of raw material, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition. Production overheads are allocated in the proportion of actual production of each product.

### xii) Taxes on Income

Income Taxes are accounted for in accordance with Accounting Standard (AS 22) – Accounting for Taxes on Income, notified under the Companies (Accounting Standards) Rules, 2006. Income Tax comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the revenue authorities, using applicable tax rates and laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance



## INFINION BIOPHARMA LIMITED

### xiii) Borrowing Costs

Interest and other costs in connections with the borrowing of funds to the extent they relate to the acquisition /construction of fixed assets are capitalized up to the date when such assets are ready for intended use.

### xiv) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

### xv) Foreign Currency Transactions

#### Initial Recognition and Measurement:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Measurement at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

#### Treatment of exchange difference on restatement / settlement

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

### Note 7

**Contingent Liability : NIL**

### Note 8

The company was incorporated on 16.01.2018 with the object of Developing New, Cost Effective and Proprietary Treatment Options and Technologies for Patients. The first period of the company is , therefore, from 16.01.2018 to 31.03.2019. The company has not yet commenced its operations and hence no profit and loss account has been prepared. Expenses incurred till the operations begin are transferred to preoperative expenses which are to be capitalized in future. Expenses pertaining to incorporation of the company, stamp duty on increase in authorized capital etc are transferred to preliminary expenses.

### Note 9

The company has issued shares during the period amounting to Rs75475000/-. This includes FDI received from out side India under the automatic route of RBI.

### Note 10

The company had signed a Term Sheet with Medinstill Inc USA to invest US\$5 Million in the equity share capital of the captioned company. Under the terms, the remitted US\$1 Million in two tranches in the month of June and July 2018.

MedInstill has developed the INTACT™ technology that has applications in filling, connecting and dispensing liquid and semi-solid non-preserved products for the pharmaceutical, nutrition and consumer skincare industries. INTACT™ is an innovative, first-in-class comprehensive suite of technologies based on the principles of sterile, closed transfer. The US FDA Emerging Technology Team (ETT) has tailored a fast track approval process for the latest generation of



## INFINION BIOPHARMA LIMITED

INTACT™ and FDA Nutrition/Beverage Approval was received by Medinstill in May 2018 for LACF (Low Acid Canned Food Approval). Medinstill has received its development funding from leading global companies in the pharmaceutical, consumer products and nutrition industries in exchange for certain licensing rights. Medinstill has filed over 700 patents, of which around 400 patents are already granted.

The company had entered into an agreement with Medinstill to invest US\$5 Million in return for licensing rights in the fields of nutrition, specialized media for biologics, cosmetics and pharmaceuticals (excluding generics) for India market and couple other Asian countries. Infinition had decided to make an investment based on the following key features of Medinstill's technologies: (a) preservative-free filling, (b) reduced operating costs by over 50%, (c) minimal electricity and water requirements, (d) no special aseptic training required and (e) small installation footprint.

However, the company is now facing financial problems. The reasons for failure of the project are primarily related to Medinstill's inability to commercialize their technology. Additionally, they underestimated the regulatory diligence by the FDA, which has further delayed their commercialization efforts.

Considering this, the directors impressed upon the investee company to return the investment already made. The company had started its plan to raise further resources to remit the balance amount. However, it came to light that the captioned company, though technically had very valuable IPRs, its finances were not being handled properly.

After very persuasive dialogues over months, the company finally has agreed to return the amount received by it. Accordingly, the company remitted first tranche of US\$ 1,00,000/

This investment was originally made under ODI scheme of RBI under automatic route. However, the company did not made the balance investment and hence no shares were allotted to the company which contravenes the existing provisions of RBI. The company through its AD (bank), has intimated this to RBI.

The company is hopeful of receiving balance amount also and hence no provision has been made against this.

### Note 11

In the opinion of the management the current assets, loans and advances appearing in the books of the accounts have realizable value in the ordinary course of business, which in the aggregate is not less than the amount stated therein.

### Note 12

**Earning Per Share :** The Company has not commenced its business activities during period and Earning Per share is not applicable.



# INFINION BIOPHARMA LIMITED

## Note 13 Related Party Disclosures:

The following table provides the list of related parties and total amount of transactions that have been entered into with related parties for the relevant financial years.

### A) List of related parties:

#### a) Key Management Personnel

1. Govindsinh Bhavansinh
2. Narendrasinh Devda
3. Vishal Jain

### B.) Transactions during the year :

Sr. No.	Name of the Related Parties	Nature of Relationship with the Company	Nature of Transactions	Rs. In Lacs	
				16.01.2018 to 31.03.18	Volume of Transactions
1.	Govindsinh Bhavansinh	KMP	Unsecured Loan taken	14.00	12.00
2.	Narendrasinh Devda	KMP	Unsecured Loan taken	14.00	0.00
3.	Vishal Jain	KMP	Unsecured Loan taken	27.00	22.00

## Note 14

Wherever expenses are not backed by bill/documentary evidences, reliance have been made on self supporting vouchers signed by Directors/authorized signatory.

For, Dharmendra & Khajanchi  
Chartered Accountants

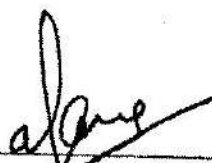
For, INFINION BIOPHARMA LIMITED  
For and on behalf of Board Directors



Dharmendra Solanki

Properitor  
M.No. 042412

Place: Ahmedabad  
Date: 27.09.2019

Narendrasinh Devda

Director  
Din : 00344604

Place: Ahmedabad  
Date: 27.09.2019



Govindsingh B Chavda

Director  
Din: 08082565