

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VIOLIO PHARMACEUTICALS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **VIOLIO PHARMACEUTICALS 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 27,2019

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 PHARMACEUTICALS 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.

Place: Ahmedabad
Date: May 27,2019

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

sd/-

Karnik K. Shah
Partner
Membership No.: 129675

“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 PHARMACEUTICALS 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.

Place: Ahmedabad
Date: May 27, 2019

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

sd/-
Karnik K. Shah
Partner
Membership No.: 129675

Violio Pharmaceuticals Limited
Balance Sheet as at March 31, 2019

Particulars	Note No.	INR
		As at March 31 2019
EQUITY AND LIABILITIES:		
Shareholders' Funds:		
Share Capital	1	9,000,000
Reserves and Surplus	2	(2,734,915)
		6,265,085
Non-Current Liabilities:		
Long Term Borrowings	3	26,000,000
Current Liabilities:		
Other Current Liabilities	4	1,951,993
		27,951,993
Total		34,217,078
ASSETS:		
Non-Current Assets:		
Non-Current Investments	5	33,960,000
		33,960,000
Current Assets:		
Cash and Bank Balances	6	257,078
		257,078
Total		34,217,078
Significant Accounting Policies	II	
Notes to the Financial Statements	1 to 12	

As per our report of even date

For Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration Number: 106625W

Sd/-

Karnik K. Shah
Partner
Membership Number: 129675
Ahmedabad, Dated: May 27, 2019

For and on behalf of the Board

Sd/-
Nitin D. Parekh
Director

Sd/-
Harish R. Sadana
Director

Violio Pharmaceuticals Limited
Statement of Profit and Loss for the Period ended March 31, 2019

Particulars	Note No.	INR
		Period ended March 31 2019
REVENUE:		
Revenue from Operations		
Other Income		-
Total Revenue		-
EXPENSES:		
Finance Costs	7	1,935,420
Other Expenses	8	799,495
Total Expenses		2,734,915
Loss before Tax		(2,734,915)
Less: Tax Expense:		
Current Tax		-
Deferred Tax		-
Loss for the year		(2,734,915)
Basic & Diluted Earning per Equity Share [EPS] [in Rupees]	9	(5.17)
Significant Accounting Policies	11	
Notes to the Financial Statements	1 to 12	

As per our report of even date

For Mukesh M. Shah & Co.,

Chartered Accountants

Firm Registration Number: 106625W

Sd/-

Karnik K. Shah

Partner

Membership Number: 129675

Ahmedabad, Dated: May 27, 2019

For and on behalf of the Board

Sd/-

Nitin D. Parekh

Director

Sd/-

Harish R. Sadana

Director

Violio Pharmaceuticals Limited

I-Company overview:

Violio Pharmaceuticals Limited ["the Company"] is the holding company for Viona Pharmaceuticals INC. The Company is classified as a Core Investment Company [CIC] and is exempt from registration with Reserve Bank of India [RBI].

II-Significant Accounting Policies:

1 Basis of Accounting:

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and they comply with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies [Accounts] Rules, 2014 and other pronouncements issued by the Institute of Chartered Accountants of India [ICAI], to the extent applicable, and with the applicable provisions of the Companies Act, 2013.

2 Use of Estimates:

The preparation of Financial Statements in conformity with the Accounting Standards generally accepted in India requires, the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year while actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3 Borrowing Costs:

- A Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use.
- B Other borrowing costs are recognised as an expense in the year in which they are incurred.

4 Investments:

- A Long term and strategic investments are stated at cost, less any diminution in the value other than temporary.
- B Current investments are stated at lower of cost and fair value determined on individual investment basis.
- C Investments in shares of foreign subsidiaries and other companies are expressed in Indian currency at the rates of exchange prevailing at the time when the original investments were made.

5 Revenue Recognition:

- A Service income is recognised as per the terms of contracts with the customers when the related services are performed or the agreed milestones are achieved and are net of service tax, wherever applicable.
- B Interest income is recognised on time proportionate method.
- C Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

6 Foreign Currency Transactions:

- A The transactions in foreign currencies are stated at the rates of exchange prevailing on the dates of transactions.
- B The net gain or loss on account of exchange rate differences either on settlement or on translation of short term monetary items is recognised in the Statement of Profit and Loss.
- C Investments in foreign subsidiaries and other companies are recorded in Indian currency at the rates of exchange prevailing at the time when the investments were made.

7 Taxes on Income:

- A Tax expenses comprise of current and deferred tax.
- B 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.
- C Deferred tax reflects the impact of current year timing differences between accounting and taxable income and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reviewed at each balance sheet date.

8 Provisions, Contingent Liabilities and Contingent Assets:

Provision is 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 for 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. Contingent assets are not recognised in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

Violio Pharmaceuticals Limited
Notes to the Financial Statements

		INR	
		As at March 31	
		2019	
Note: 1-Share Capital:			
Authorised:			
5,000,000 Equity Shares of Rs.10/- each		50,000,000	
		50,000,000	
Issued, Subscribed and Paid-up:			
900,000 Equity Shares of Rs.10/- each fully paid-up		9,000,000	
Total		9,000,000	
A The reconciliation in number of shares is as under:			
Number of shares at the beginning of the year		-	
Add: Issued during the year		900,000	
Number of shares at the end of the year		900,000	
B Details of Shareholder holding more than 5% of aggregate Equity Shares of Rs. 10/- each fully paid:			
Cadila Healthcare Limited			
Number of Shares		900,000	
% to total share holding		100%	
Note: 2-Reserves and Surplus:			
Surplus in Statement of Profit and Loss:			
Balance as per last Balance Sheet		-	
Add: Loss for the year		(2,734,915)	
		(2,734,915)	
Less: Appropriations		-	
Balance as at the end of the year		(2,734,915)	
Total		(2,734,915)	
Note: 3-Long Term Borrowings:			
Loan from Others [Unsecured]		26,000,000	
Total		26,000,000	
- Loan from Cadila Healthcare Limited is repayable within a period of 3 years from its first disbursement or as may be mutually decided by the parties. The Interest rate of loan is SBI Base rate + 50 bps.			
Note: 4-Other Current Liabilities:			
Interest accrued but not due on borrowings		1,734,294	
Others:			
Provision for Expenses		25,000	
Payable to Statutory Authorities		192,699	
		217,699	
Total		1,951,993	
Note: 5-Non-Current Investments:			
Long Term Investments [Valued at cost]:	Face Value	Nos.	
Trade Investments [Unquoted]			
Investments in Equity Instruments of Subsidiary Company			
Viona Pharmaceuticals INC.	USD 1	500,000	33,960,000
			33,960,000
a Aggregate amount of unquoted investments			33,960,000
Note: 6-Cash and Bank Balances:			
Balances with Banks		257,078	
Cash on Hand		-	
Total		257,078	

Violio Pharmaceuticals Limited
Notes to the Financial Statements

	INR
	Period ended March 31
	2019

Note: 7-Finance Cost:

Interest expense [*]	1,926,993
Bank commission & charges	8,427
Total	1,935,420
[*] The break up of interest expense into major heads is given below:	
Others:	
Interest on Loan taken from Cadila Healthcare Ltd.	1,926,993

Note: 8-Other Expenses:

Payment To Statutory Auditors (*)	27,950
Preliminary Expenses	
Registration Fees (Roc)	757,395
Application / Filing Fees	4,200
Stamp Duty Expenses	8,500
Other Expenses	1,450
	771,545
Total	799,495
(*) Payment to the Statutory Auditors [excluding GST]:	
i - As Auditor	25,000
- For Other Services	2,950
- Total	27,950

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 Profit attributable to Shareholders	INR	(2,734,915)
B Weighted average number of Equity shares outstanding during the year	Numbers	528,904
C Nominal value of equity share	INR	10
D Basic and adjusted EPS	INR	(5.17)

Note: 10-Related Party Transactions:

A Name of the Related Parties and Nature of the Related Party Relationship with whom transactions have taken place:	
<p>a Holding Company Cadila Healthcare Limited</p> <p>b Subsidiary Company Viona Pharmaceuticals INC.</p> <p>c Fellow Subsidiary Companies</p> <p>Dialforhealth India Limited Dialforhealth Unity Limited Dialforhealth Greencross Limited Zydus Healthcare Limited Zydus Wellness Limited M/s. Zydus Wellness-Sikkim, a Partnership Firm [#] Zydus Nutritions Limited [#] Liva Pharmaceuticals Limited Liva Nutritions Limited Liva Investment Limited Heinz India Private Limited Zydus Technologies Limited Acme Pharmaceuticals Private Limited Alidac Pharmaceuticals Limited Violio Healthcare Limited Windlas Healthcare Private Limited Zydus Foundation Zydus Lanka (Private) Limited [Sri Lanka] Zydus Healthcare Philippines Inc. [Philippines] Zydus International Private Limited [Ireland] Zydus Netherlands B.V. [the Netherlands] Etna Biotech S.R.L. [Italy]</p> <p>[#] 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.</p>	<p>Zydus Pharmaceuticals (USA) Inc. [USA] Nesher Pharmaceuticals (USA) LLC [USA] Zydus Healthcare (USA) LLC [USA] Sentyln Therapeutics Inc. [USA] Zydus Noveltech Inc. [USA] Hercon Pharmaceuticals LLC [USA] Z AHL B.V. [the Netherlands] Z AHL Europe B.V. [the Netherlands] Bremer Pharma GmbH [Germany] Windlas Inc [USA] Zydus Healthcare S.A. (Pty) Ltd [South Africa] Simayla Pharmaceuticals (Pty) Ltd [South Africa] Script Management Services (Pty) Ltd [South Africa] Zydus France, SAS [France] Laboratorios Combix S.L. [Spain] Zydus Nikkho Farmaceutica Ltda. [Brazil] Zydus Pharmaceuticals Mexico SA De CV [Mexico] Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico] Zydus Worldwide DMCC [Dubai] Zydus Discovery DMCC [Dubai] Alidac Healthcare (Myanmar) Limited [Myanmar]</p>

Violio Pharmaceuticals Limited
Notes to the Financial Statements

Note: 10-Related Party Transactions: Continued..

d Directors and their relatives:

Nitin D. Parekh	Director
Harish R. Sadana	Director
Chimanlal P. Patel	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 & b]

<u>Nature of Transactions</u>	Value of the Transactions [INR]	
	Holding Company	Subsidiary Company
	<u>Period ended March 31</u> 2019	
Reimbursement of Expenses paid: Cadila Healthcare Limited	757,395	
Total	757,395	
Investments: Purchases/ Subscription to Share Capital: Viona Pharmaceuticals INC.		33,960,000
Total		33,960,000
Finance: Inter Corporate Loans received: Cadila Healthcare Limited	26,000,000	
Total	26,000,000	
Interest paid: Cadila Healthcare Limited	1,926,993	
Total	1,926,993	
Outstanding: Payable: Cadila Healthcare Limited	1,734,294	
Total	1,734,294	

Note: There are no transaction with parties referred to in Note 10-A [c & d] above.

Note: 11

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: 12

Company has been incorporated on 10th May, 2018. Hence previous years figures has not been disclosed in financial statements.

Signatures to Significant Accounting Policies and Notes 1 to 12 to the Financial Statements

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration Number: 106625W

Sd/-
Nitin D. Parekh
Director

Sd/-

Karnik K. Shah
Partner
Membership Number: 129675
Ahmedabad, Dated: May 27, 2019

Sd/-
Harish R. Sadana
Director