Singhi & Co.
Chartered Accountants

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## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF GENU PATHS LAB LIMITED**

**Report on the Audit of the Financial Statements**

### OPINION

We have audited the standalone financial statements of **GENU PATHS LAB LIMITED ("the Company"),** which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss and 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 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, and its loss 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 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 relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

### OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directorsl report, 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 and 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 in the 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 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, 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. 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. 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:

- 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 Act, 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.
- 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.



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.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order to the extent applicable to the company.

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statement 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 written representations received from the directors as at 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"; and

   (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 the financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

SINGHI & CO. * Chartered Accountants *

**(Anurag Singhi)**
**Partner**
**Membership No. 066274**

**Place: Kolkata**
**Date: 18th May,2019**

**ANNEXURE- A TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date in respect to Statutory Audit of **GENU PATHS LAB LIMITED** for the year ended 31st March, 2019, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The management has physically verified the fixed assets of the Company in a phased manner to cover the entire block of assets once in a year and no material discrepancies were noticed. The procedure adopted by the management is reasonable in our opinion having regard to the size of the company and nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property in its name.

ii. In respect of inventories, physical verification has been conducted at reasonable intervals during the year by the management and in our opinion the frequency of verification is reasonable. According to the information and explanation given to us and on the basis of our examination of the records of the company, no material discrepancies were noticed on physical verification of inventories.

iii. The Company has not granted any loan to parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus paragraph 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Act are not applicable to the company during the year.

v. In our opinion and according to the information and explanations given to us, the Company did not receive any deposits covered under sections 73 to 76 of the Companies Act and the rules framed there under with regard to deposits accepted from the public during the year.

vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.

vii. (a) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Cess and other material statutory dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

(b)According to the information and explanations given to us and as per the records of the company, there are no disputed statutory dues, which have not been deposited on account of any dispute as at March 31, 2019.

viii. The Company did not have any outstanding dues to financial institutions, banks, or debenture holders during the year.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

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



xi. According to the information and explanation given to us and on the basis of our examination of the records of the company, the provisions of Section 197 read with Schedule V to the Act is not applicable to the company.

xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. 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 sections 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.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has obtained such certificate.

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

SINGHI & CO. Chartered Accountants

**(Anurag Singhi)**
**Partner**
**Membership No. 066274**

**Place: Kolkata**
**Date: 18th May,2019**

## ANNEXURE - B TO THE INDEPENDENT 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 **GENU PATHS LAB LIMITED** ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**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 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 we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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



**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

SINGHI & CO. Chartered Accountants

**(Anurag Singhi)**
**Partner**
**Membership No. 066274**

**Place: Kolkata**
**Date: 18th May,2019**

# GENU PATH LABS LIMITED

**Corporate Identity No. (CIN) - U85320WB2017PLC222577**
**Innovation Tower, Premises No. 16-315,Plot No. DH6/32**
**Action Area-1D,Newtown,Rajarhat,Kolkata-700156**

## BALANCE SHEET AS AT MARCH 31, 2019

| | Notes | As at 31.03.2019 Rs. | As at 31.03.2018 Rs. |
|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | |
| **1. Shareholders' Funds** | | | |
| (a) Share Capital | 3 | 66,666,660 | 30,000,000 |
| (b) Reserves and Surplus | 4 | (34,751,651) | (1,004,466) |
| **2. Non-Current Liabilities** | | | |
| (a) Long-Term Provisions | 5 | 345,571 | 59,521 |
| **3. Current Liabilities** | | | |
| (a) Trade Payables | 6 | 1,154,916 | 431,468 |
| (b) Other Current Liabilities | 7 | 2,402,312 | 768,046 |
| (c) Short-Term Provisions | 5 | 12,320 | 522 |
| | | 35,830,128 | 30,255,091 |
| **II. ASSETS** | | | |
| **1.Non-current Assets** | | | |
| (a) Fixed Assets | | | |
| (i) Property, Plant and Equipment | 8 | 19,791,360 | - |
| (ii) Capital Work in Progress | | - | 11,751,432 |
| (b) Loans and Advances | 9 | 1,006,303 | 5,012,091 |
| **2. Current Assets** | | | |
| (a) Current Investment | 10 | 10,000,000 | - |
| (b) Trade Receivables | 11 | 157,549 | - |
| (c) Inventories | 12 | 3,118,091 | - |
| (d) Cash and Bank Balance | 13 | 1,569,819 | 13,411,550 |
| (e) Loans and advances | 9 | 187,006 | 74,895 |
| (f) Other Current Assets | 14 | - | 5,123 |
| | | 35,830,128 | 30,255,091 |
| **Summary of significant accounting policies** | 2 | | |

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

**As per our report of even date**

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

Anurag Singhi
**Partner**
**Membership No.: 066274**

**Place : Kolkata**
**Date: 18th May, 2019**

**For and on behalf of the Board of Directors**

| | |
|---|---|
| **Banwari Lal Mittal** | **Ravi Kant Sharma** |
| **Director** | **Director** |
| **DIN : 00365809** | **DIN : 00364066** |

**Biplab Kumar Mani**
**Company Secretary**

# GENU PATH LABS LIMITED

**Corporate Identity No. (CIN) - U85320WB2017PLC222577**
**Innovation Tower, Premises No. 16-315,Plot No. DH6/32**
**Action Area-1D,Newtown,Rajarhat,Kolkata-700156**

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

| | Notes | 2018-19 Rs. | 2017-18 Rs. |
|---|---|---|---|
| I. Revenue from Operations | 15 | 10,206,215 | - |
| II.Other Income | 16 | 420,721 | 230,044 |
| **III. Total Revenue** | | 10,626,936 | 230,044 |
| **IV. Expenses:** | | | |
| Cost of Materials Consumed | 17 | 5,735,541 | - |
| Employee Benefit Expenses | 18 | 18,825,196 | 692,448 |
| Depreciation and Amortisation Expense | 19 | 5,035,334 | - |
| Finance Costs | 20 | 96,484 | - |
| Other Expenses | 21 | 18,014,898 | 542,062 |
| | | 47,707,453 | 1,234,510 |
| **V. (Loss) Before Tax (III-IV)** | | (37,080,517) | (1,004,466) |
| **VI. Tax Expenses:** | | | |
| (a) Current Tax | | - | - |
| (b) Deferred Tax | | - | - |
| | | - | - |
| **VII. (Loss) for the year (V-VI)** | | (37,080,517) | (1,004,466) |
| **VIII. Earnings Per Equity Share:** | | | |
| Basic & Diluted ( Nominal Value per Share Rs. 10/-) | 22 | (8.53) | (1.71) |
| **Summary of significant accounting policies** | 2 | | |

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

**As per our report of even date**

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

**Anurag Singhi**
**Partner**
**Membership No.: 066274**

**Place : Kolkata**
**Date: 18th May, 2019**

**For and on behalf of the Board of Directors**

**Banwari Lal Mittal**
**Director**
**DIN : 00365809**

**Ravi Kant Sharma**
**Director**
**DIN : 00364066**

**Biplab Kumar Mani**
**Company Secretary**

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

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## Cash Flow Statement for the year ended March 31, 2019

| | Particulars | 2018-19 (Rs) | 2017-18 (Rs) |
|---|---|---|---|
| A. | **Cash Flow from Operating Activities** | | |
| | **(Loss) before tax** | **(37,080,517)** | (1,004,466) |
| | **Adjustments for :-** | | |
| | Profit on sale of current investments | **(416,879)** | (223,713) |
| | Interest on Fixed Deposit | **(3,842)** | (6,331) |
| | Interest Expense | **96,484** | - |
| | Gratuity Expense | **276,597** | 60,043 |
| | Depreciation and Amortization Expense | **5,035,334** | - |
| | **Operating cash flow before working capital changes** | **(32,092,823)** | (1,174,467) |
| | Increase in Trade Payables | **723,448** | 431,468 |
| | Increase in Other Liabilities | **1,634,266** | 768,046 |
| | Increase / (Decrease) in Provisions | **21,251** | - |
| | (Decrease)/Increase in Loans and Advances | **3,893,677** | (74,895) |
| | (Increase) in Trade Receivables | **(157,549)** | - |
| | (Increase) in Inventories | **(3,118,091)** | - |
| | **Cash (used in)/generated from operations** | **(29,095,821)** | (49,848) |
| | Income Taxes paid(net of refunds) | **-** | - |
| | **Net cash (used in)/generated from operating activities** | **(29,095,821)** | (49,848) |
| B. | **Cash Flow from Investing Activities** | | |
| | Purchase of Fixed Assets including Capital Advance | **(13,075,262)** | (16,763,523) |
| | Purchase of Current Investments | **(41,000,000)** | (27,100,000) |
| | Proceeds from sale of Current Investments | **31,416,879** | 27,323,713 |
| | Interest on Fixed Deposits | **8,965** | 1,208 |
| | **Net cash (used in)/generated from investing activities** | **(22,649,418)** | (16,538,602) |
| C. | **Cash Flows from Financing Activities** | | |
| | Proceeds from issuance of Equity Share Capital | **36,666,660** | 30,000,000 |
| | Proceeds from Securities Premium on issue of Equity Share Capital | **3,333,332** | - |
| | Interest Expense | **(96,484)** | - |
| | **Net cash generated from financing activities** | **39,903,508** | 30,000,000 |
| D. | **Net change in cash and cash equivalents (A+B+C)** | **(11,841,731)** | 13,411,550 |
| E. | **Cash and Cash equivalents - Opening Balance** | **13,411,550** | - |
| F. | **Cash and Cash equivalents - Closing Balance*** | **1,569,819** | 13,411,550 |

Note :

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

* Components of Cash and Cash Equivalents as indicated in Note 13 comprises of:

| | | |
|---|---|---|
| Cash in Hand | **91,874** | 8,252 |
| Balances with Scheduled Banks on Current Accounts | **1,477,945** | 2,403,298 |
| Deposits with original maturity for less than three months | **-** | 11,000,000 |
| **Total** | **1,569,819** | 13,411,550 |

As per our attached report of even date

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

**Anurag Singhi**
**Partner**
**Membership No.: 066274**

SINGHI & CO. Chartered Accountants

**For and on behalf of the Board of Directors**

**Banwari Lal Mittal**
**Director**
**DIN : 00365809**

**Ravi Kant Sharma**
**Director**
**DIN : 00364066**

**Biplab Kumar Mani**
**Company Secretary**

GENU PATH LABS LIMITED KOLKATA

**Place : Kolkata**
**Date: 18th May, 2019**

**Notes to Financial Statements as at and for the year ended 31st March,2019**

**SHCEDULE 1- CORPORATE INFORMATION**

Genu Path labs Limited ("the Company") is a public company domiciled in India and was incorporated on September 1,2017 under the provisions of the Companies Act, 2013. The Company is engaged in the business of running laboratories for carrying out pathological investigations of various branches of Bio-chemistry, Hematology, Histopathology, Microbiology, Immuno-chemistry, Immunology, Serology and Clinical Pathology, Cytology, other pathological and radiological investigations.

**SCHEDULE 2 – SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**Summary of Significant Accounting Policies**

i. **Basis of preparation of Financial Statements**

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

ii. **Use of Estimates**

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

iii. **Revenue Recognition**

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

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

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

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

iv. **Property, Plant and Equipment**

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

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

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

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

v. **Depreciation**

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

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

vi. **Impairment of Property,Plant and Equipment and Intangible Assets**

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

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

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

vii **Investments**

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

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

viii. **Inventories**

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

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

### ix. Retirement and other employees benefits

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

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

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

### x. Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

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

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

### xi. Cash and Cash Equivalents

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

### xii. Earnings Per Share

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

### xiii. Provisions

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

### xiv. Contingent Liabilities

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

### xv. Segment Reporting

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

GENU PATH LABS LIMITED KOLKATA

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# GENU PATH LABS LIMITED

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

**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

| **3. SHARE CAPITAL** | **As at 31.03.2019 Rs.** | As at 31.03.2018 Rs. |
|---|---|---|
| **Authorised** | | |
| 71,00,000(2017-18:31,00,000) Equity Shares of Rs. 10/- each | **71,000,000** | 31,000,000 |
| | **71,000,000** | 31,000,000 |
| **Issued, Subscribed and Paid-up** | | |
| 66,66,666(2017-18:30,00,000) Equity Shares of Rs. 10/- each | **66,666,660** | 30,000,000 |
| | **66,666,660** | 30,000,000 |

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

**Equity Shares**

| | **As at 31st March, 2019** | | As at 31st March, 2018 | |
|---|---|---|---|---|
| | **Nos.** | **Rs.** | Nos. | Rs. |
| At the beginning of the year | **3,000,000** | **30,000,000** | 3,000,000 | 30,000,000 |
| Issued during the year | **3,666,666** | **36,666,660** | - | - |
| Outstanding at the end of the year | **6,666,666** | **66,666,660** | 3,000,000 | 30,000,000 |

**(b) Terms / Rights attached to the equity shares**

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

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

**(c) Shares held by holding company**

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

| | **31.03.2019 (Rs.)** | 31.03.2018 (Rs.) |
|---|---|---|
| Sastasundar Ventures Limited | **5,000,000** | 3,000,000 |

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

| **Name of the shareholder** | **As at 31st March, 2019** | | As at 31st March, 2018 | |
|---|---|---|---|---|
| | **No. of shares** | **% of holding** | No. of shares | % of holding |
| (Equity shares of Rs. 10 each full paid up) | | | | |
| Sastasundar Ventures Limited(including shares held by its nominees) | **5,000,000** | **75%** | 3,000,000 | 100% |
| Sastasundar Healthbuddy Limited(including shares held by its nominees) | **1,666,666** | **25%** | - | - |

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

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

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

GENU PATH LABS LIMITED KOLKATA

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# GENU PATH LABS LIMITED

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

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

| | As at 31.03.2019 Rs. | As at 31.03.2018 Rs. |
|---|---|---|
| **4. RESERVES AND SURPLUS** | | |
| **Securities Premium Account** | | |
| Balance as per last financial statements | - | - |
| Add : Premium on issue of equity shares | 3,333,332 | - |
| | 3,333,332 | - |
| **(Deficit) in the Statement of Profit and Loss** | | |
| Balance as per the Last financial statements | (1,004,466) | - |
| Loss for the year transferred from the Statement of Profit and Loss | (37,080,517) | (1,004,466) |
| | (34,751,651) | (1,004,466) |

**5. PROVISIONS**

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2019 Rs. | As at 31.03.2018 Rs. | As at 31.03.2019 Rs. | As at 31.03.2018 Rs. |
| Gratuity [Refer Note 25] | 345,571 | 59,521 | 12,320 | 522 |
| | 345,571 | 59,521 | 12,320 | 522 |

| | | |
|---|---|---|
| **6. TRADE PAYABLES** | | |
| Total outstanding dues of micro and small enterprises (Refer Note 23) | 216,407 | - |
| Total outstanding dues of creditors other than micro and small enterprises | 938,509 | 431,468 |
| | 1,154,916 | 431,468 |
| **7. OTHER CURRENT LIABILITIES** | | |
| Capital Purchase | 5,564 | 702,412 |
| Statutory Dues Payable | 382,247 | 65,634 |
| Employee Payable | 2,014,501 | - |
| | 2,402,312 | 768,046 |

GENU PATH LABS LIMITED KOLKATA

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

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019**

**Note 8:**

**A. Property, Plant and Equipment**

(Amount in Rs.)

| Particulars | Computers | Furniture and Fixtures | Office Equipments | Plant and Machinery | Electrical Equipments | Motor Vehicles | Total |
|---|---|---|---|---|---|---|---|
| **Gross Block** | | | | | | | |
| **At April 1, 2017** | - | - | - | - | - | - | - |
| Additions | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - |
| **At March 31, 2018** | - | - | - | - | - | - | - |
| Additions | 800,263 | 6,255,925 | 769,510 | 15,839,876 | 1,153,820 | 7,300 | **24,826,694** |
| Disposals | - | | - | - | - | - | - |
| **At March 31, 2019** | **800,263** | **6,255,925** | **769,510** | **15,839,876** | **1,153,820** | **7,300** | **24,826,694** |
| **Depreciation** | | | | | | | |
| **At April 1, 2017** | - | - | - | - | - | - | - |
| Charge For the Year | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - |
| **At March 31, 2018** | - | - | - | - | - | - | - |
| Charge For the Year | 426,581 | 1,377,934 | 274,255 | 2,688,130 | 267,316 | 1,118 | **5,035,334** |
| Disposals | - | - | - | - | - | - | - |
| **At March 31, 2019** | **426,581** | **1,377,934** | **274,255** | **2,688,130** | **267,316** | **1,118** | **5,035,334** |
| **Net Block** | | | | | | | |
| **At March 31, 2018** | - | - | - | - | - | - | - |
| **At March 31, 2019** | **373,682** | **4,877,991** | **495,255** | **13,151,746** | **886,504** | **6,182** | **19,791,360** |

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GENU PATH LABS LIMITED KOLKATA

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

**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

## 9. LOANS AND ADVANCES

| | Non-Current | | Current | |
|---|---|---|---|---|
| | **As at 31.03.2019** | As at 31.03.2018 | **As at 31.03.2019** | As at 31.03.2018 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Capital Advances | **591,446** | 4,638,429 | **-** | - |
| Security Deposits | **414,857** | 373,662 | **-** | - |
| Prepaid Expenses | - | - | **102,544** | - |
| Advance recoverable in cash or in kind | - | - | **84,462** | 74,895 |
| | **1,006,303** | 5,012,091 | **187,006** | 74,895 |

## 10. CURRENT INVESTMENTS

| | No. of units | **As at 31.03.2019** | **As at 31.03.2018** |
|---|---|---|---|
| | | **Rs.** | **Rs.** |
| (Valued at cost and fair value, unless stated otherwise) | | | |
| Unquoted Mutual Fund (Fully Paid) | | | |
| Reliance Liquid Fund | 2,205.79 | **10,000,000** | **-** |
| | | **10,000,000** | **-** |
| **Aggregate Value of Investments** | | | |
| Unquoted | | **10,000,000** | - |
| Aggregate Net Asset Value of Mutual Fund Units | | **10,012,540** | - |

## 11. Trade Receivables

| | | |
|---|---|---|
| **Outstanding for a period exceeding six months** | | |
| Secured, considered good | **-** | - |
| Unsecured, considered good | **-** | - |
| | **-** | - |
| **Others** | | |
| Secured, considered good | **-** | - |
| Unsecured, considered good | **157,549** | - |
| | **157,549** | - |
| | **157,549** | - |

## 12. Inventories

| | | |
|---|---|---|
| Reagents, Chemicals, surgical and laboratory supplies | **3,118,091** | - |
| | **3,118,091** | - |

## 13. Cash and Bank Balance

| | | |
|---|---|---|
| (i) Cash and Cash Equivalents | | |
| Cash in Hand | **91,874** | 8,252 |
| Balances with Scheduled Banks on Current Accounts | **1,477,945** | 2,403,298 |
| (ii) Other Bank Balances | | |
| Deposits with original maturity for less than three months | **-** | 11,000,000 |
| | **1,569,819** | 13,411,550 |

## 14. Other Current Assets

| | | |
|---|---|---|
| Accrued Interest on Fixed Deposit | - | 5,123 |
| | **-** | 5,123 |

GENU PATH LABS LIMITED KOLKATA

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# GENU PATH LABS LIMITED

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

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

| | 2018-19 | 2017-18 |
|---|---|---|
| | Rs. | Rs. |
| **15. REVENUE FROM OPERATIONS** | | |
| Sale of Services | 10,206,215 | - |
| | 10,206,215 | - |
| **16. OTHER INCOME** | | |
| Interest on Fixed Deposits | 3,842 | 6,331 |
| Profit on sale of Current Investments | 416,879 | 223,713 |
| | 420,721 | 230,044 |
| **17.COST OF MATERIALS CONSUMED** | | |
| **Reagent Consumed** | | |
| Inventory at the beginning of the year | - | - |
| Add : Purchases | 8,853,632 | - |
| Less : Inventory at the end of the year | 3,118,091 | - |
| | 5,735,541 | - |
| **18. EMPLOYEE BENEFIT EXPENSES** | | |
| Salary and Bonus | 16,812,184 | 608,709 |
| Contribution to Provident funds | 913,966 | 23,696 |
| Contribution to Employees' State Insurance | 449,185 | - |
| Gratuity Expense (Refer Note 25) | 276,597 | 60,043 |
| Staff Welfare Expenses | 373,264 | - |
| | 18,825,196 | 692,448 |
| **19. DEPRECIATION AND AMORTIZATION EXPENSE** | | |
| Depreciation of Property, Plant and Equipment | 5,035,334 | - |
| | 5,035,334 | - |
| **20. FINANCE COST** | | |
| Interest Expense | 96,484 | - |
| | 96,484 | - |
| **21. OTHER EXPENSES** | | |
| Advertisement Expenses | 3,233,537 | - |
| Communication Expenses | 259,687 | 22,339 |
| Laboratory Test Charges | 198,565 | - |
| Electricity Charges | 801,911 | - |
| Legal and Professional fees | 2,851,634 | - |
| Printing and Stationary | 528,573 | 124 |
| Rates and Taxes | 480,876 | 469,775 |
| Insurance | 6,485 | |
| Rent | 2,775,148 | - |
| Repairs and Maintenance | 934,211 | - |
| Service Charges | 784,235 | - |
| Travelling and Conveyance | 757,685 | - |
| Fees to Collection Centers/Channel Partners | 2,228,726 | - |
| Bank and Demat Charges | 52,588 | 577 |
| Logistics Support Services | 1,464,892 | - |
| Auditor Remuneration | | - |
| Audit fees | 58,500 | 30,000 |
| Miscellaneous Expenses | 597,645 | 19,247 |
| | 18,014,898 | 542,062 |
| **22. EARNINGS PER SHARE** | | |
| Basis for calculation of Basic and Diluted Earnings Per Share is as under: | | |
| (Loss) after tax (Rs.) | (37,080,517) | (1,004,466) |
| Weighted Average Number of Equity Shares (Nos) | 4,345,205 | 588,493 |
| Nominal Value of each Equity Share (Rs.) | 10 | 10 |
| **Loss per equity share (Rs.)** | (8.53) | (1.71) |

GENU PATH LABS LIMITED KOLKATA

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**Notes to Financial Statements as at and for the year ended 31st March,2019**

**23 Details of dues to Micro and Small Enterprises as defined under the MSMED Act,2006**

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|
| i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal amount due to micro and small enterprises | 216,407 | Nil |
| Interest due on above | Nil | Nil |
| ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | | |
| Principal | Nil | Nil |
| Interest | Nil | Nil |
| iii) The amount of interest due and payable for the period of delay in making payment (which been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006 | Nil | Nil |
| iv) The amount of interest accrued and remaining unpaid at the end of each accounting year | Nil | Nil |
| v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | Nil | Nil |

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

**(a) Name of the Related Parties**

**Holding and Ultimate Holding Company**

Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited)

**Fellow Subsidiary Companies**

Sastasundar Healthbuddy Limited(formerly Microsec Health Buddy Limited)
Innogrow Technologies Limited (formerly Microsec Technologies Limited)
Sastasundar Marketplace Limited
Retailer Shakti Supply Chain Private Limited

**Key Management Personnel**
Mr. Banwari Lal Mittal,Director
Mr. Ravi Kant Sharma,Director
Mr. Amrit Daga,Director ( upto 2nd March,2019)
Mr. Biplab Kr Mani, Company Secretary

GENU PATH LABS LIMITED KOLKATA

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**GENU PATH LABS LIMITED**

**Note 24 - Details of Related Party Transaction**

| | Holding Company | Fellow Subsidiary Companies | | | | Key Management Personnel (including their relatives) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Sastasundar Ventures Limited (Microsec Financial Services Limited) | Sastasundar Healthbuddy Limited(formerly Microsec Health Buddy Limited) | Innogrow Technologies Limited (Formerly Microsec Technologies Limited) | Sastasundar Marketplace limited | Retailer Shakti Supply Chain Pvt Ltd | Mr. Banwari Lal Mittal | Ravi Kant Sharma | Amrit Daga | Others |
| Loan Taken | 8,000,000<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) |
| Loan Refunded | 8,000,000<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) |
| Purchase of Traded Goods | -<br>(-) | 141,341<br>(-) | -<br>(-) | -<br>(-) | 129,419<br>(-) | (-) | (-) | (-) | (-) |
| Sale of Services | (-) | (-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | 2,450<br>(-) | 2,450<br>(-) | 37,921<br>(-) |
| Interest Expenses | 96,484<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) |
| Proceeds from Issue of Equity Share Capital | 200,00,000<br>(300,00,000) | 16,666,660<br>- | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) |
| Proceeds from Securities Premium | -<br>(-) | 3,333,332<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) |
| Balance Payable | -<br>(-) | -<br>(-) | -<br>(-) | 154,486<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) |
| Amount paid towards rent | -<br>(-) | -<br>(-) | 1,501,148<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) |
| Amount paid towards maintenance and electricity charge | -<br>(-) | -<br>(-) | 862,904<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) |
| Amount paid towards fees to collection/channel partner | -<br>(-) | -<br>(-) | -<br>(-) | 2,228,725<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) |

SINGHI & CO. Chartered Accountants

GENU PATH LABS LIMITED KOLKATA

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

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

| | Particulars | 2018 – 19 (Rs.) | 2017 – 18 (Rs.) |
|---|---|---|---|
| (i) | **Net Employee Expense /(benefit)** | | |
| | Current service cost | 304,792 | 47,496 |
| | Interest Cost | 6,131 | - |
| | Actuarial Gain/(Loss) on Obligations | (34,326) | 12,547 |
| | Total employer expense / (benefit) recognised in Statement of Profit and Loss | 276,597 | 60,043 |
| | | | |
| (ii) | **Benefit Asset/(Liability)** | | |
| | Defined benefit obligation | 357,891 | 60,043 |
| | Fair value of Plan Assets | - | - |
| | Benefit Asset/(Liability) | (357,891) | (60,043) |
| | | | |
| (iii) | **Movement in benefit liability** | | |
| | Opening defined benefit obligation | 60,043 | - |
| | Acquisition Adjustment# | 21,251 | - |
| | Interest Cost on benefit obligation | 6,131 | - |
| | Current service cost | 304,792 | 47,496 |
| | Actuarial Gain/(Loss) on Obligations | (34,326) | 12,547 |
| | Closing benefit obligation | 357,891 | 60,043 |
| | | | |
| (iv) | **The principal actuarial assumptions are as follows** | | |
| | Discount Rate | 7.71% | 7.70% |
| | Expected return on plan assets | 7.71% | 7.70% |
| | Salary increase | 6.00% | 6.00% |
| | Withdrawal rates | 1.00% | 1.00% |
| | | | |
| (v) | **Amount incurred as expense for defined contribution plans** | | |
| | Contribution to Provident fund | 913,966 | 23,696 |
| | Contribution to Employees' State Insurance | 449,185 | - |
| | | | |
| (vi) | The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. | | |
| (vii) | The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. | | |
| (viii) | The Company expects to contribute Rs. 1,00,000 (2017-18:1,00,000) to gratuity fund April, 2019 to March, 2020. | | |
| (ix) | **Amounts for the current year and previous years are as follows :** | **Year Ended 31st March, 2019** | Year Ended 31st March, 2018 |
| | **Gratuity** | | |
| | Defined Benefit Obligation | 357,891 | 60,043 |
| | Surplus / ( Deficit ) | (357,891) | (60,043) |
| | Experience adjustments on plan liabilities | (34,326) | 12,547 |
| | | | |

#Acquisition adjustment in the form of Gratuity in respect of employee transferred to Genu Path Labs Ltd has been transferred by Sastasundar Healthbuddy Limited(formerly Microsec Health Buddy Limited)

*The above information is actuarially determined.

**26 Deferred Tax Asset**

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

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

**28 Capital and other commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is NIL(2017-18 Rs.41,33,000).

GENU PATH LABS LIMITED KOLKATA

SINGHI & CO. Chartered Accountants

**29** Previous year's figures including those in brackets have been regrouped and / or reclassified to confirm to this year's classification.

As per our report of even date

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

Anurag Singhi
Partner
Membership No.: 066274

Place : Kolkata
Date: 18th May, 2019

For and on behalf of the Board of Directors

Banwari Lal Mittal
Director
DIN : 00365809

Ravi Kant Sharma
Director
DIN : 00364066

Bipiab Kumar Mani
Company Secretary

GENU PATH LABS LIMITED KOLKATA

SINGHI & CO. Chartered Accountants