



DR HABEEBULLAH LIFE SCIENCES LIMITED

**22nd Annual Report
2017-2018**



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CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mr. K. Krishnam Raju	-	Promoter & Executive Chairman	(DIN 00874650)
Dr. Mohammed Aejez Habeeb	-	Promoter – Non Executive	(DIN 02265024)
Dr. Syed Ameer Basha Paspala	-	Promoter – Non Executive	(DIN 07585133)
Dr. Akella Radha Rama Devi	-	Independent – Non Executive	(DIN 07688465)
Dr. Akka Jyothy	-	Independent – Non Executive	(DIN 07687798)
Dr. T.V. Rama Krishna Murthy	-	Independent – Non Executive	(DIN 07688759)

COMPANY SECRETARY - Ms. Pooja Jain

CHIEF FINANCIAL OFFICER - Mrs. K. Nirusha

CORPORATE IDENTITY NUMBER (CIN) - L85110TG1996PLC099198

ISIN - INE579N01018

REGISTERED OFFICE (Clinic cum Laboratories)

2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads,
Upperpally, Rajendra Nagar Mandal,
Hyderabad – 500048, Telangana State, India

CORPORATE OFFICE

No. 11, Phase 1, Vasudeva Bloomfield Elation,
Near Delhi Public School, Khajaguda, Nanakramguda,
Hyderabad – 500008, Telangana State, India.

SAMPLE COLLECTION CENTERS (KRISANI DIAGNOSTICS)

Flat No. B2, Suryateja Apts, Hindi Nagar, Punjagutta, Hyderabad 500034, Telangana State, India.	Shop No. 10-60, Ground Floor, Shadnagar Town, Ranga Reddy. Dist 509216, Telangana State, India.	Opp. to Konark Hospital, Pipeline Line Road, Jeedimetla, 500015. Telangana State, India.
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CONTACT DETAILS

Cell : 040 2970 3333, +91 - 90300 57370

E-Mail : info@drhlsl.com, pcproductsindia@gmail.com, investorrelations@drhlsl.com

Website: www.drhlsl.com.

STATUTORY AUDITORS

M/s. N.M. Khatavkar & Co.
Chartered Accountants
Divate Complex, Near Court circle, Club Road, Hubli – 580029, Karnataka, India

INTERNAL AUDITORS

M/s. Tungala & Co.
Chartered Accountants
Hyderabad, Telangana State, India

SECRETARIAL AUDITORS

M/s. S.S. Reddy Associates
Practicing Company Secretary
Plot No. 8-2-603/23/3, 2nd Floor, HSR Summit,
Road No. 10, Banjara Hills,
Hyderabad-500034. Telangana, India.

BANKERS

HDFC Bank Limited
Kotak Mahindra Bank
IndusInd Bank
Laxmi Vilas Bank

AUDIT COMMITTEE

Dr. T.V. Rama Krishna Murthy	-	Chairman
Dr. A. Jyothy	-	Member
Dr. Syed Ameer Basha Paspala	-	Member

NOMINATION & REMUNERATION COMMITTEE

Dr. A. Jyothy	-	Chairperson
Dr. A. Radha Rama Devi	-	Member
Dr. T.V. Rama Krishna Murthy	-	Member

STAKEHOLDER RELATIONSHIP COMMITTEE

Dr. T.V. Rama Krishna Murthy	-	Chairman
Dr. A. Jyothy	-	Member
Dr. Mohammed Aejez Habeeb	-	Member

INDEPENDENT DIRECTORS COMMITTEE

Dr. T.V. Rama Krishna Murthy	-	Chairman
Dr. A. Jyothy	-	Member
Dr. A. Radha Rama Devi	-	Member

LISTING

- 1) BSE Limited
- 2) Metropolitan Stock Exchange of India Limited
- 3) Ahmedabad Stock Exchange Limited

REGISTRAR & SHARE TRANSFER AGENTS

Venture Capital & Corporate Investments Private Limited
12-10-167, Bharat Nagar, Hyderabad – 500018, Telangana State, India
Contact No: 040 23818475/23818476
E-mail: info@vccilindia.com
Website: www.vccilindia.com

BOARD OF DIRECTORS

**MR. KALIDINDI KRISHNAM RAJU**

**Whole-time Director
& Executive Chairman**

Mr. Kalidindi Krishnam Raju, S/o K. V. Subba Raju, aged about 59 years, is a Chartered Accountant from the Institute of Chartered Accountants of India.

Over the past nearly Three decades, Mr. Krishnam Raju has channelized his energies into helping provide strategic as well as management insights by adopting to companies his uniquely developed understanding in areas related to financial services, information technology and Bio-pharma oriented Healthcare. Prior to promoting DRHLSL, he practiced as a Chartered Accountant, worked in different organizations followed by promoting Krisani Wealth Management focused on financial research and Krisani Bio Sciences Private Limited in 2009 which is into design and development of New Drug Discovery including New Molecular Entity (NME).

His strategic planning blends the virtues of judicious financial designing by evolving suitable business models based on global business environment, efficient project execution by using his vast experience in business development and incorporating global best practices in corporate governance.

**DR. MOHAMMED AEJAZ HABEEB**

Promoter Director

Dr. Mohammed Aejaz Habeeb, S/o. Padma Shree Late. C M Habeebullah, aged about 52 years, is a PhD holder in Biotechnology, D. M. (Gastroenterology) and MD. (General Medicine).

He is practicing as a Gastroenterologist, since 1999. He is the Professor and H.O.D for the Department of Gastroenterology and Herpetology at Deccan College of Medical Sciences, Hyderabad. He is practicing at his own Clinic at Narayanguda, Hyderabad since 1999. Additionally, since 2007 he is practicing as a Consultant (Gastroenterologist & Hepatologist) at Kamineni Wockhardt Hospitals (now known as Kamineni Hospital) King Koti, Hyderabad.

Also, since 2011 he is practicing as a Consultant (Gastroenterologist & Hepatologist) at Apollo Hospital, Hyderguda, Hyderabad. Thus, he has over 20 years of experience as a Consultant.

**DR. SYED AMEER BASHA
PASPALA**

Promoter Director

Dr. Syed Ameer Basha Paspala, s/o Mr. Syed Mahboob Miah Paspala, aged about 51 years, is a PhD holder in Biotechnology and M.Ch (Neurosurgery).

He is practising as a Consultant (Neurosurgeon) since the beginning of 2001 at Institute of Medical Sciences, CARE Hospital, Hyderabad.

Additionally, since 2004 he is practising as a Consultant (Neurosurgeon) at Owaisi Hospital, Hyderabad.

Thus, he has over 20 years of experience as a Consultant.



DR. AKELLA RADHA RAMA DEVI
Independent Director

Dr. A. Radha Rama Devi is Pediatrician in Genetics and has received Certificate in Genetics Engineering. She has over 40 years of practice in Clinical Pediatrics and research in the area of Medical Genetics.

She was awarded with Presidents Medal and Gold Medal in Medicine.

Dr. Radha trained for fellowship by British Council in the field of Inborn Errors of Metabolism.

She was selected as Senior Women Bio Scientist in India for the year 2005 for lifetime achievement by the Department of Bio technology, Government of India.

She is instrumental in setting up the first Newborns Screening for preventable causes of mental retardation in India and published the first data on the prevalence of these disorders in the Indian population.



DR. AKKA JYOTHY
Independent Director

Prof. A. Jyothy is a PhD in Genetics from Osmania University. She has more than 30 years of experience in teaching and research. She was Former Director of Institute of Genetics and Hospital for Genetics Diseases, Osmania University.

Prof. A. Jyothy as a renowned scientist has obtained research funding from national agencies such as DBT, DST, ICMR and UGC.

She is reviewer for National and International Journals namely Clinica Chimica Acta, International Heart Journal, International Journal of Human Genetics and Indian Journal of Human Genetics etc. She has received many awards for her excellent academic accomplishments.

She was awarded with HPS-IMH oration award 2009-10 from Hyderabad Psychiatric Society and Women Achievers Award 2011 from Organization of Women in Science for Developing World (OWSDW).



DR. T.V. RAMA KRISHNA MURTHY
Independent Director

Dr. Tenneti Venkata Rama Krishna Murthy is MCh in Neurosurgery and has over 20 years of Consultancy experience in Neuro Sciences.

He is Consultant- Neuro Sciences in Care Hospital, Hyderabad.

He is notable member of –

- American Association of Neurological Surgeons
- Congress of Neurological Surgeons
- Neurological Society of India
- Indian Society of Stereotactic and Functional Neurosurgery
- Twin Cities Neurological Society
- Andhra Pradesh Neuroscientists Association.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 22nd (Twenty Second) Directors Report on the business and operations of your Company along with the Audited Financial Statements, for the Financial Year ended March 31, 2018.

FINANCIAL SUMMARY

Amount in INR

Particulars	Consolidated 2017-2018	Standalone 2017-18	Consolidated 2016-17	Standalone 2016-2017
Income	6448639	6167239	12943586	12943586
Expenditure	17560224	16382643	18791996	16140697
Provision for Current Tax (MAT)	-	-	-	-
MAT Credit Entitlement	-	-	-	-
Differed Tax	-621568	-	7228586	-
Profit for the year	-10490017	-10215404	-13076996	-3197111

REVIEW OF OPERATIONS

The Total Revenue of the Company for the financial year under review on consolidated basis was INR 64,48,639/- as against INR 129,43,586/- for the previous financial year. The Company recorded a Net Loss of INR 104,90,017/- for the Financial Year 2017-18 as against the Net Loss of INR 130,76,996/- for the Previous Year.

On Standalone basis, the Total Revenue of the Company for the Financial Year 2017-18 was INR 61,67,239/- as against INR 129,43,586/- for the Previous Financial Year. The Net Loss for the Financial Year 2017-18 is INR 102,15,404/- as against the Net Loss of INR 31,97,111/- for the Previous Year.

The Company has not yet started its activities on full fledged. The management has been taking all steps to start all activities in near future and generate more revenue.

CAPITAL STRUCTURE

Authorized Share Capital

During the Financial year, the Authorized Share Capital of the Company was increased from INR 13,00,00,000/- divided into 1,30,00,000 Equity Shares of INR 10/- to INR 16,00,00,000/- divided into 1,60,00,000 Equity Shares of INR 10/- each on 27th September, 2017.

Paid up Capital (Considering only Equity Share Capital of the Company)

During the Financial year, the Paid up Capital of the Company has increased from INR 10,25,87,060/- divided into 1,02,58,706 Equity Shares of INR 10/- each to INR 11,75,87,060/- divided into 1,17,58,706 Equity Shares of INR 10/- each.

- The Company has allotted 8,00,000 Equity Shares to Non Resident Indians (NRIs) on Preferential Basis on 17th November, 2017.
- The Company has allotted 10,00,000 Convertible Equity Share Warrants to Promoters of the Company on Preferential Basis on 24th January, 2018.
- The Company has allotted 27,50,000 Convertible Equity Share Warrants to Non-Promoters of the Company on Preferential Basis on 17th November, 2017. Out of which, 7,00,000 Convertible Equity Share Warrants were converted into Equity Shares on 24th January, 2018.

Shareholders in the Last 21st Annual General meeting held on Wednesday, the 27th day of September, 2017 have consented for issuance of ESOPS in terms of SEBI (Share Based Employee Benefits) Regulations, 2014 and they are yet to be acted upon.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT

The Company has converted further 4,55,000 Convertible Equity Share Warrants into Equity Shares on 04th May, 2018, leading to increase in Paid up Capital to INR 12,21,37,060 divided into 1,22,13,706 Equity Shares of INR 10/- each.

REGULATORY AFFAIRS BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT

The following were the regulatory affairs occurred as on the date of Board's Report –

- As per SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated 5th April, 2018, the Central Depository Services (India) Limited (CDSL) was appointed as the Designated Depository for the purpose of Monitoring the Foreign Investment Limits in the Company.
- As per SEBI Circular No. SEBI/HO/CFD/DCR1/CIR/P/2018/85 dated 28th May, 2018, the Central Depository Services (India) Limited (CDSL) was appointed as the Designated Depository for the purpose of System Driven Disclosures in Securities Market for the Company.

GREEN INITIATIVE

Securities and Exchange Board of India (SEBI) has vide its circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20th April, 2018 mandated that all the shareholders, whose ledger folio do not have or having incomplete details with respect to their PAN and Bank particulars, must submit the same to the Registrar and Transfer Agent (RTA) or the Company.

Your active co-operation is required in this regard and in order to be a part of the green initiative, to help in conserving trees for a greener India and to enable the Company to disseminate to you all the requisite documents and information electronically, i.e. through emails and make payments of dividend directly into your bank account, you are requested:-

- a. To provide your PAN and bank details as required by SEBI. For crediting your dividend amount directly into your bank account through National Automated Clearing House (NACH), a separate form is attached for providing your bank details, kindly fill and sign the form and submit with RTA/Company (for shares held in physical form) or with your depository participant (for shares held in demat form), as the case may be, along with requisite documents mentioned in the form, within stipulated time.
- b. To register or update your e-mail address by filling in and signing the attached form and submit with RTA/Company (for shares held in physical form) or with your depository participant (for shares held in demat form), as the case may be, along with requisite documents mentioned in the form, within stipulated time.

Kindly note that it is mandatory for the Company to mention your bank details on the dividend payment instrument, in case where NACH details are not registered with the Company / RTA.

DIVIDEND

The Company is in its revival process and hence, no dividend is being declared for the year.

TRANSFER TO GENERAL RESERVES

In view of the losses incurred by the Company during the year, the Board of Directors did not propose to transfer any amount to reserves for the period under review.

COMPANY'S OPERATIONS

The Company is into the business of **Health Care** diversified into the following areas:

- Out-Patient Consultancy Division in name of ORIGIN HOSPITALS
- Diagnostics and Bio R&D Lab

- Pharmacy
- Stem Cell – Lab, Research and Therapy
- Research and Development in Bio-technology
- New Drug Discovery including New Molecular Entity (NME – Pro Drug)
- Contract Research Organization (CRO) related activities
- Academic Services like Courses / Lectures / Seminars on Biotechnology, Pharma, Stem Cell Research and therapy, Clinical Research and animal studies etc.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the period under review and the date of Board's Report there was no change in the nature of Business.

PATENTS FILED OR ASSIGNED IN THE NAME OF COMPANY

Application Number	Title	Patent No. / Status
201741042838	Bioengineered humanized endocrine neo-organ using decellularized spleen matrices	PCT/IN2018/050183
201741040487	A Unique Prognostic panel of miRNAs in combination with viral load for assessment of disease status, therapeutic response and relapse in HCV patients	PCT/IN2018/050184
201641035316	Drug conjugated ultra-small nanoparticle for effective killing of drug resistant cancer cells	PCT/IB2017/056384
201741026728	A neural conduit to reconstitute and regenerate the degenerated or damaged nervous system	In the process of PCT filing
201841012280	Method of MRI-based cellular imaging using differential fractionation of bimetallic FeGdO ₃ nanoparticles	In the process of PCT filing
201641038276	Decellularized liver as a natural 3D-bucket culture system	In the process of PCT filing

CHANGE OF NAME OF THE COMPANY

The Name of the Company was changed from PC PRODUCTS INDIA LIMITED to DR HABEEBULLAH LIFE SCIENCES LIMITED vide Fresh certificate of Incorporation obtained from Registrar of Companies, Hyderabad, Telangana State, India dated 25th October, 2017.

AGREEMENTS SIGNED DURING THE YEAR

- The Company had entered into a Collaborative Agreement with its Subsidiary, Krisani Bio Sciences Private Limited for further development of Wilson Disease Molecule on revenue sharing basis on 23rd August, 2017.
- The Company has terminated an Agreement entered with its Subsidiary, Krisani Bio Sciences Private Limited on 17th November, 2017 {Initially entered on dated 25th March, 2017 for further development of NASH (Fatty Liver) Molecule}
- The Company has entered into a Collaborative Agreement with Centre for Liver Research And Diagnostics (CLRD) to use their land, building, equipment and other facilities to run business of Hospital, Diagnostics, Pharmacy, Stem cell and other bio-technology laboratories on revenue sharing basis dated 27th May 2017.

REPORT ON SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

Subsidiaries – The Company has one Subsidiary – Krisani Bio Sciences Private Limited, India.

Krisani Bio Sciences Pvt. Ltd (Krisani Bio), is an innovative biopharmaceutical Company with focus on large unmet medical and market needs with reduced risk and high reward molecules.

The division is currently working on 5 therapeutic areas of Wilson's disease, Non-Alcoholic Steatohepatitis (NASH), Neuropathic Pain, Cardiovascular Diseases, Cystinosis, Huntington's disease and has been granted 12 international patents. Most of the above molecules have the ability to qualify for 505(b) 2 approval process as per USFDA. Adopting the concept of prodrug and selection of orphan drugs enables Less time frame, cost, and regulatory hurdles in comparison with New Chemical Entities.

The new drug discovery and development process of Dr Habeebullah Life Sciences is based on IP protected, low risk innovative platform. This, coupled with the strategy of selecting orphan drug category for the product portfolio gives the Company an added advantage to commercialize its NME's at a proof-of-concept stage.

A statement containing salient features of the financial statements of the subsidiaries in the prescribed format **Form AOC-1** is appended as **Annexure I** to the Director's Report. **The statement also provides details of performance and financial position of the subsidiary.**

As required under Section 136 of the Companies Act, 2013 the audited financial statements including the consolidated financial statements and related information of the Company and Audited Accounts of Subsidiary are available on the website <http://www.drhlsl.com/investor/financials/#1514180834590-5156aacd-d874>. These documents will also be available for inspection during the business hours at the registered office of the Company and any member, who wishes to get copies of such financial statements, may write to the Company for such requirement.

Associates / Joint Ventures – Further, the Company has no Associates nor has entered into any Joint Ventures.

DETAILS OF BOARD OF DIRECTORS / KEY MANAGERIAL PERSONNEL

The Board of Directors of your Company comprises of 6 (SIX) Directors as on the date of this report representing the optimum blend of professionalism, knowledge and having varied experience in different discipline of corporate functioning.

Of these, 1 (ONE) is Whole-time Director Cum Promoter Executive Chairman, 2 (TWO) are Promoter Non-Executive Directors and 3 (THREE) are Independent Non-Executive Directors and is also in compliance w.r.t presence of Chief Financial Officer and Company Secretary as KMPs.

Change in Designation

No changes in designation of directors during the Financial Year under review.

Retirement by rotation

Pursuant to provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Dr. Mohammed Aejaz Habeeb (DIN 02265024) is liable to retire by rotation at the ensuing 22nd Annual General Meeting and being eligible offers himself for reappointment to the office of directorship. Your Board of Directors recommends his re-appointment.

Appointments

Mrs. K. Nirusha was appointed as Chief Financial Officer of the Company on 26th June, 2017.

COMMITTEES OF THE BOARD

The Board of Directors of the Company had already constituted various Committees in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 viz.

- Audit Committee
- Nomination and Remuneration Committee

- Stakeholders Relationship Committee
- Independent Directors Committee

All decisions pertaining to the constitution of Committees, appointment of members and fixing of term of reference/role of the committee are taken on record by the Board of Directors. Details of the role and constitution of committees, including the number of meetings held during the financial year and attendance at meetings, are provided in the corporate governance section of the Annual Report.

BOARD MEETINGS

The Board of Directors duly met (**Four**) times in the Financial Year 2017-2018 on 27/05/2017, 23/08/2017, 17/11/2017, and 24/01/2018.

Further, details of the composition and attendance of the Board and its Committees are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Section 173(1) of Companies Act, 2013 and Regulation 17(2) SEBI (LODR) Regulations, 2015.

TRAINING OF INDEPENDENT DIRECTORS:

Your Company's Independent Directors are highly qualified and have been associated with corporate and business organizations. They understand Company's business and activities very well, however, pursuant to Regulation 4 of the Listing Regulations, the Board has shown all the Independent Directors Company's business and manufacturing activities and were also introduced to Company's staff.

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

The familiarising programmes for the Independent Directors are disclosed in the Corporate Governance Report that forms part of this Annual Report.

INDIAN ACCOUNTING STANDARD (Ind AS):

Your Company has adopted Indian Accounting Standard (Ind AS) notified by MCA and the relevant provision of the Companies Act, 2013 and the general circulars issued by the Ministry of Corporate Affairs from time to time.

STATUTORY AUDITORS & AUDITOR'S REPORTS

The existing auditors M/s. N.M Khatavkar & Co. Chartered Accountants, have resigned on 27th August, 2018 before the expiry of 5 years term. Accordingly, the appointment of M/s. MSKA & Associates., as statutory auditors of the Company, in place of resigning auditors is placed for approval by the shareholders. The Auditors' Report for fiscal 2018 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

The Company has received audit report with unmodified opinion for both Standalone and Consolidated audited financial results of the Company for the Financial Year ended March 31, 2018 from the statutory auditors of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the provisions of the Section 129(3) of Companies Act, 2013, Accounting Standards AS-21 and AS-27 and Indian Accounting Standard (Ind AS), your Directors have provided the Consolidated Financial Statements for the Financial Year ended March 31, 2018, which forms part of the Annual Report.

ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEM

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

INTERNAL AUDITORS

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; Mr. P.V. Srikanth, Partner of M/s. Tungala & Co. Chartered Accountants were appointed as Internal Auditors of the Company for the Financial Year 2017-18. Deviations are reviewed periodically and due compliance ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. S. S. Reddy & Associates, Practising Company Secretaries, was appointed to undertake the Secretarial Audit of the Company for the Financial Year 2017-18. There is no reservation, qualifications or adverse remarks or disclaimer made by the Secretarial Auditor in the Report. The Secretarial Audit Report in **Form MR 3** is annexed herewith as **Annexure II** to this report.

QUALIFICATIONS IN AUDIT REPORTS

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made, if any —

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2018 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in view of the rapid global challenges. .

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2018 on the Compliances according to the provisions of section 204 of the Companies Act 2013 and the same does not have any reservation, qualifications or adverse remarks.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There have been no frauds reported by the Statutory Auditors u/s 143(12).

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

The Securities Exchange Board of India vide its Adjudication Order EAD-5/SVKM/AO/21/2017-18] dated 17th May, 2017 has imposed a penalty of INR 4,00,000/- on the Company for non-compliance of provisions of Regulation 8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 within the due date, during the years 2004 to 2011 at Ahmedabad Stock Exchange, Bangalore Stock Exchange and Madras Stock Exchange, where its Equity Shares were listed. The Company has paid the Penal Amount of INR 4,00,000/- on Monday, 29th May, 2017 to Securities Exchange Board of India towards the Adjudication order.

Except above, there are no significant and material orders passed by the Regulatory authorities or Courts which effects the nature of the business of the company.

DECLARATION BY INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The declarations from 3 (Three) Independent Directors are attached as **Annexure III** to this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, and to the best of their knowledge and ability In terms of Section 134(3)(c) of the Companies Act 2013, your directors confirm as under:

- In preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed and there were no material departures from prescribed accounting standards;
- We have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- We have prepared the annual accounts on a going concern basis;
- We have laid down internal financial controls, which are adequate and are operating effectively; and
- We have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

POLICIES

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website www.drhlsl.com.

The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

Name of the policy	Brief Description	Website link
Board Diversity Policy	At DRHLISL, we believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.	http://www.drhlsl.com/wp-content/uploads/2018/06/Board-Diversity-Policy.pdf
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	http://www.drhlsl.com/wp-content/uploads/2018/06/Nomination-&-Remuneration-Policy.pdf
Policy on Material Subsidiaries	The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.	http://www.drhlsl.com/wp-content/uploads/2018/06/Policy-for-determining-Material-Subsidiaries.pdf

Name of the policy	Brief Description	Website link
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties.	http://www.drhlsl.com/wp-content/uploads/2018/06/Policy-on-Related-Party-Transactions.pdf

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the year were in the ordinary course of business and on an arms' length basis and the provisions of Section 188 of the Companies Act, 2013 were complied wherever necessary. However, pursuant to the provisions of Regulation 23 (2) of the SEBI (LODR) Regulations, 2015, prior approval of the Audit Committee was sought for entering into the Related Party Transactions.

The information relating to particulars of contracts or arrangements with related parties referred to in sub Section (1) of section 188 of the Companies Act, 2013 in **Form AOC 2** is annexed as **Annexure IV**, forming part of this Report. Your Directors also draw attention of the members to Notes of Accounts to the Standalone Financial Statement which sets out related party disclosures.

PARTICULARS OF EMPLOYEES

The information required under Section 197 (12) of the Act read with Rule 5(1) to (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is annexed as Annexure V to this report.

EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **Form MGT 9** is included as **Annexure VI** and forms part of this Report.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy: The operations of the Company involve low energy consumption. However, adequate measures have been taken to conserve energy wherever practicable.

B. Technology Absorption, Adaptation and Innovation: The Company continues to use the latest technologies for improving the quality of its operations.

C. Foreign Exchange Earnings and Outgo: Further, the company did not have any foreign exchange earnings or outgo during the year.

Hence no information pursuant to Section 134 (3)(m) of the Companies Act, 1956 read with Disclosure of particulars in the report of Board of Directors Rules, 1988 and Rule 8 of Companies (Accounts) Rules, 2014 is provided.

BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Evaluation of the Committees performance was based on the criteria like composition, its terms of the reference and effectiveness of committee meetings, etc., Individual Director's performance evaluation is based on their preparedness on the issues to be discussed, meaningful and constructive discussions and their contribution to the Board and Committee meetings. The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were conducted seeking inputs from all the Directors / Committee Members wherever applicable.

The evaluation procedure followed by the company is as mentioned below

- i) Feedback is sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.
- ii) The Nomination and Remuneration Committee (NRC) then discusses the above feedback received from all the Directors.
- iii) Based on the inputs received, the Chairman of the NRC also makes a presentation to the Independent Directors at their meeting, summarising the inputs received from the Directors as regards Board performance as a whole and of the Chairman. The performance of the Non Independent Non-Executive Directors and Board Chairman is also reviewed by them.
- iv) Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) is discussed by the Chairman of the NRC with the Chairman of the Board. It is also presented to the Board and a plan for improvement is agreed upon and is pursued.
- v) Every statutorily mandated Committee of the Board conducts a self-assessment of its performance and these assessments are presented to the Board for consideration. Areas on which the Committees of the Board are assessed include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.
- vi) Feedback is provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation are presented to the Board and action plans are drawn up. During the year under report, the recommendations made in the previous year were satisfactorily implemented.

The peer rating on certain parameters, positive attributes and improvement areas for each Board member are also provided to them in a confidential manner. The feedback obtained from the interventions is discussed in detail and, where required, independent and collective action points for improvement are put in place.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Particulars of Loans, Guarantees and Investments made by the Company covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements provided in this Annual Report.

PUBLIC DEPOSITS

The Company has not accepted any deposits falling within the meaning of Sec. 73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the Financial Year under review.

INSURANCE

The Properties and Assets of your Company are adequately insured.

RISK MANAGEMENT

The Company process is in place to ensure that all the Current and Future Material Risks of the Company are identified, assessed/quantified and effective steps are taken to mitigate/ reduce the effects of the risks to ensure proper growth of the business. Shareholders are also requested to refer a separate section on Internal Control systems and their adequacy, which also deals with Risk Management, in Management Discussion and Analysis Report.

DISCLOSURE ABOUT / COST AUDIT

Cost Audit as prescribed under Section 148 of Companies Act, 2013 is not applicable to your Company.

CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure

reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website <http://www.drhsl.com/wp-content/uploads/2018/06/Code-for-Prevention-of-Insider-Trading.pdf>

SECRETARIAL STANDARDS

The company is in compliance with applicable secretarial standards.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report as **Annexure VII**.

CORPORATE GOVERNANCE

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At DRHLSL, we believe, a sound corporate governance is critical to enhance and retain investor trust. The goal of corporate governance is to ensure fairness information about the Company for every stakeholder.

A separate section on Corporate Governance for fiscal 2018 forms part of this Annual Report as **Annexure VIII**.

WTD and CFO CERTIFICATION

Mr. K. Krishnam Raju, Whole-time Director and Mrs. K. Nirusha, Chief Financial Officer of the Company have provided Compliance Certificate, which is annexed as **Annexure IX** to the Board in accordance with Regulation 17(8) read with Part B of Schedule II of the SEBI (LODR) Regulations, 2015 for the Financial Year ended 31st March, 2018.

CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Declaration on Code of Conduct for the year 2017-18

This is to confirm that the Board has laid down a code of conduct as per Regulation 17(5) of the Listing Regulations for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company and can be accessed at <http://www.drhsl.com/wp-content/uploads/2018/06/Code-of-Conduct-BOD-Senior-Mgmt.pdf>

It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2018 as envisaged in Regulation 26(3) of the Listing Regulations. A declaration to this effect signed by Mr. K. Krishnam Raju, Whole-time Director (DIN 00874650) is attached as **Annexure X**.

COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

Mr. S. Sarveswar Reddy, a Company Secretary in Practice has certified that conditions of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 have been complied by your Company and his certificate is annexed as Annexure XI.

DISCLOSURE UNDER PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT, 2013)

The Company has in place an anti-sexual harassment policy in line with the requirements of the Sexual Harassment of Women at the work place (Prevention, Prohibition and Redressal) Act, 2013. All Employees (Permanent, Contractual, temporary, Trainees) are covered under this policy. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. The following is the summary of sexual harassment complaints received and disposed during the calendar year:

- No. of complaints received Nil
- No. of complaints disposed off Nil

CORPORATE SOCIAL RESPONSIBILITY

The Company does not meet applicable requirements i.e. net worth of INR 500 Crore or more, or turnover of INR 1000 Crore or more, or a net profit of INR 5 Crore or more as specified in section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility. Hence, pursuant to the above, the Company did not constitute Corporate Social Responsibility Committee and did not adopt any Corporate Social Responsibility Policy.

DISCLOSURE OF ACCOUNTING TREATMENT

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 133 of the Companies Act, 2013.

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT.

Your company does not have any Unclaimed shares issued in physical form pursuant Public issue/Rights Issue etc.

APPRECIATIONS & ACKNOWLEDGEMENTS

Your Directors wish to express their appreciation for the valuable support and co-operation received from Customers, Investors, Lenders, Business Associates, Bankers, NSDL, CDSL, RTA, SEBI, BSE, MSEI, ASE and Society at large.

The Directors also thank the Government of India Government of Telangana and other Government States, Ministry of Corporate Affairs, Ministry of Commerce, Ministry of Communication & Technology, Ministry of Finance, Income Tax Department, Reserve Bank of India, State Governments, Governments of various countries, other Government Departments, Agencies.

Your Directors are especially indebted to employees of the Company and its subsidiary at all levels, who through their dedication, co-operation, support and dynamic work, have enabled the Company to achieve rapid growth. Your Directors seek, and look forward to the same support during the future years of growth.

For and on Behalf of the Board of Directors

**Place: Hyderabad
Date: 27th Aug, 2018**

**Sd/-
K. Krishnam Raju
Executive Chairman (DIN 00874650)**

ANNEXURE I**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

**Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/
Joint Ventures**

PART A- Subsidiaries

(Amount in INR)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Krisani Bio Sciences Private Limited (KBSPL)
2.	The date since when subsidiary was acquired	Wednesday, 24th August, 2016 (Board approval) Thursday, 13th October, 2016 (Members approval for Preferential allotment on STOCK SWAP basis to KBSPL)
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01st April, 2017 to 31st March, 2018
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
5.	Share capital	Authorized – 15,00,00,000/- Paid Up Capital – 11,43,32,000/-
6.	Reserves & surplus	(2,92,56,551)
7.	Total assets	15,93,80,632
8.	Total Liabilities	7,43,80,183
9.	Investments	75,000
10.	Turnover (other income)	2,81,400
11.	Profit before taxation	(8,96,181)
12.	Provision for taxation / Deferred Tax	(6,21,568)
13.	Profit after taxation	(2,74,613)
14.	Proposed Dividend	NIL
15.	Extent of shareholding	58,68,200 Equity Shares (51.33%)
16.	The date since when subsidiary was acquired	October, 2016

Note:

1. Name of the Subsidiaries which are yet to commence operations: NIL
2. Name of Subsidiaries liquidated or sold or struck during the year: NIL

PART B – Associates and Joint Ventures

The Company does not have any Associate or Joint Venture.

ANNEXURE II**FORM MR-3
SECRETARIAL AUDIT REPORT**

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

**To the Members of
DR HABEEBULLAH LIFE SCIENCES LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DR HABEEBULLAH LIFE SCIENCES LIMITED** (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2017 to 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by DR Habibullah Life Sciences Limited ("The Company") for the financial year ended on 31st March, 2018, according to the provisions of:
 - a. The Companies Act, 2013 (the Act) and the rules made there under;
 - b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - c. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - d. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
 - e. The Securities and Exchange Board of India Act, 1992 ('SEBI Act')
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2017-18.
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Complied with yearly and event based disclosures.
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Company has allotted 8,00,000 Equity Shares to Non Resident Indians (NRIs) on Preferential Basis on 17th November, 2017.
 - The Company has allotted 10,00,000 Convertible Equity Share Warrants to Promoters of the Company on Preferential Basis on 24th January, 2018.
 - The Company has allotted 27,50,000 Convertible Equity Share Warrants to Non-Promoters of the Company on Preferential Basis on 17th November, 2017. Out of which, 7,00,000 Convertible Equity Share Warrants were converted into Equity Shares on 24th January, 2018.

The Company has complied with all the applicable provisions of said regulation.

- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.
- e. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
Not Applicable as the Company has not issued any debt securities during the year under review.
- g. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
Shareholders in the Last 21st Annual General meeting held on Wednesday, the 27th day of September, 2017 have consented for issuance of ESOPS in terms of SEBI (Share Based Employee Benefits) Regulations, 2014 and they are yet to be acted upon.
- h. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations;
The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. www.drhlsl.com
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable and the Company has framed the policies as mentioned below and displayed the same on the Company's website i.e. www.drhlsl.com
- Board Diversity Policy
 - Code of Conduct - BOD & Senior Management
 - Document Retention - Archival Policy
 - Familiarization Policy & Evaluation
 - Code for Prevention of Insider Trading
 - Nomination & Remuneration Policy
 - Policy on Sexual Harassment
 - Policy for determining Material Subsidiaries
 - Policy on Materiality of Disclosures
 - Policy on Related Party Transactions
 - Terms-Appointment of Independent Directors
 - Vigil Mechanism - Whistle Blower Policy
3. During the year the Company has conducted 4 Board meetings, 4 Audit committee meetings, 4 meetings of Nomination & Remuneration Committee, 4 Stakeholder Relationship Committee Meetings and 1 Independent Director Meetings. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc.,

5. We further report that the compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

OBSERVATIONS:

As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, **we report that**

1. the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
 - External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - Foreign Direct Investment (FDI) was attracted to the company under the financial year under report;
 - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
2. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

1. The Company has a Chief Financial Officer (CFO) Mrs. K. Nirusha, appointed on 26th June, 2017.
2. The Company has a Company Secretary – Ms.Pooja Jain.
3. The Company has Internal Auditors namely M/s. Tungala & Co., Chartered Accountants, Hyderabad.

I have relied on the Management Representation made by the Whole-time Director to ensure the compliances under other applicable acts, laws, regulations which are listed below:

- i) Income Tax Act, 1961 and its Rules
- ii) Goods and Services Tax Act, 2016 and its Rules
- iii) Shops and Establishment Act, 1988
- iv) Drugs Control Administration
- v) Trade Licence from Greater Hyderabad Municipal Corporation
- vi) Acts relating to Pharmaceuticals and Bio-Pharma Sector

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the review of the compliance/ certificates of the Company Secretary which were taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For S.S. Reddy & Associates

**Sd/-
S. Sarveswar Reddy
Practicing Company Secretary
C.P. No. 7478**

**Place: Hyderabad
Date: 27th Aug, 2018**

Annexure A to Secretarial Audit Report

**To the Members of
DR HABEEBULLAH LIFE SCIENCES LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S.S. Reddy & Associates

**Sd/-
S. Sarveswar Reddy
Practicing Company Secretary
C.P. No. 7478**

**Place: Hyderabad
Date: 27th Aug, 2018**

ANNEXURE III**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

(Pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors
DR HABEEBULLAH LIFE SCIENCES LIMITED

Dear Sir/Madam,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving Sitting Fees, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Date: 18th May, 2018
Place: Hyderabad

Yours Faithfully,

Sd/-
Dr. A. Jyothy
(Independent Director)

ANNEXURE III**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

(Pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors
DR HABEEBULLAH LIFE SCIENCES LIMITED

Dear Sir/Madam,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving Sitting Fees, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

**Sd/-
Dr. A. Radha Rama Devi
(Independent Director)**

**Date: 18th May, 2018
Place: Hyderabad**

ANNEXURE III**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

(Pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors
DR HABEEBULLAH LIFE SCIENCES LIMITED

Dear Sir/Madam,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving Sitting Fees, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

**Sd/-
Dr. T.V. Rama Krishna Murthy
(Independent Director)**

**Date: 18th May, 2018
Place: Hyderabad**

ANNEXURE IV**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

Form for Disclosure of particulars of Contracts/Arrangements entered into by the Company with Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain Arms Length Transactions under third proviso thereto:

1. Details of Contracts or Arrangements or Transactions not at Arm's Length Basis: NIL
2. Details of Material Contracts or Arrangement or Transactions at Arm's Length Basis:

(a) Name(s) of the related party and nature of relationship:

Name of the Party	Nature of Relationship
Mr.K.KrishnamRaju	Promoter & Whole-time Director & Chairman
Dr.Mohammed Aejaaz Habeeb	Promoter & Non - Executive Director
Dr.Syed Ameer Basaha Paspala	Promoter & Non - Executive Director
Dr.A.Radha Rama Devi	Independent Non - Executive Director
Dr.Akka Jyothy	Independent Non - Executive Director
Dr.T.V. Rama Krishna Murthy	Independent Non - Executive Director
Ms. Pooja Jain	Company Secretary & Compliance Officer
Mrs.K. Nirusha	Chief Financial Officer & Promoter Group
Mrs.K.Sarada Vijaya Kumari	Person Acting in Concert (Promoter Group)
Krisani Bio Sciences Private Limited	Subsidiary Company

(ii) The Promoters of DRHLSL are major Promoters and/or Shareholders / Partners of the below entities –

1. Innovision Life Sciences Private Limited – Company
2. Centre For Liver Research and Diagnostics – Partnership Firm

(b) Nature of Contracts / Arrangements / Transactions:

Name of the related party	Nature of Transaction	Year ended 31-03-2018 (Rupees)	Year ended 31-03-2017 (Rupees)
K. KrishnamRaju	Remuneration	39,00,000	12,00,000
	Rent expenses	1,50,000	-
Mrs.K.Sarada Vijaya Kumari	Rent expenses	2,40,000	-
Dr.Mohammed Aejaz Habeeb	Professional Fee	8,48,394	-
Dr.Syed Ameer Basha Paspala	Professional Fee	6,53,453	-
Ms.Pooja Jain	Remuneration	4,80,000	3,90,000
Mrs. K. Nirusha	Remuneration	6,87,500	-
Innovision Life Sciences Pvt Ltd	Inter-Corporate Loan	70,00,000	-
M/s. Centre For Liver Research and Diagnostics	Lease Deposit	195,00,000	
Krisani Bio Sciences Private Limited	Security Deposit against Master Collaborative Agreements to further develop their molecules	40,00,000	-

(c) Duration of the contracts / arrangements/transactions: **On Going**

(d) Salient terms of the contracts or arrangements or transactions including the value: **Not Applicable**

(e) Date(s) of approval by the Board, if any: **Not applicable as in Ordinary Course of Business**

(f) Amount paid as advances, if any: **NIL**

ANNEXURE V

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES FOR THE FINANCIAL YEAR 2017-2018

A. Statement of Disclosure under Section 197(12) read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975:

1. Ratio of remuneration of each Executive Director to the median remuneration of the Employees of the Company and percentage increase in remuneration of Key Managerial Personnel (KMP) and other Executive Directors during the Financial Year 2017-18:

Sl. No	Name	Designation	Remuneration paid FY 2017-18	Remuneration paid FY 2016-17	% Increase in remuneration from previous years	Ratio/times per median of Directors remuneration
1.	K. Krishnam Raju	Executive Chairman & Whole-time Director	39,00,000	12,00,000	NIL	25.39
2.	Pooja Jain	Company Secretary (KMP)	4,80,000	3,90,000	23%	-
3.	K. Nirusha*	Chief Financial Officer (KMP)	6,87,500	-	NIL	-

* Appointed from opening of business hours of 26th June, 2017

2. The Company has 42 employees on the rolls of the Company as on 31st March, 2018.
3. Average percentage reduction made in the salaries of the employees other than the Managerial Personnel in the financial year was NIL whereas the average percentage decrease in the remuneration to the Managerial Personnel was NIL
4. Key parameters for any variable component of remuneration availed by the Directors: Not Applicable
5. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy.

B. Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**1. Top 10 employees of the Company based on Remuneration drawn for FY 2017-18:**

S. No	Name of the Employee	Age	Designation	Nature of Employment	Educational Qualification & Experience	Date of Joining	Gross Remuneration	Past Employment
1	K. Krishnam Raju	59	Chairman	Permanent	CA and Entrepreneur & 30 Years	26.12.2016	3900000	Krisani Group
2	K. Nirusha	28	CFO	Permanent	B. Tech (ECE) , MS Finance & 4 Years	26.06.2017	687500	PCS Securities Ltd
3	Pooja Jain	26	Company Secretary	Permanent	CS, B.Com, LLB & 5 Years	01.11.2014	480000	S.S. Reddy & Associates
4	D. Shyam Sunder	53	Vice President - Finance	Permanent	M.Com & 28 Years	05.03.2018	87097	Smaaash Entertainment Pvt Ltd
5	Alem Ahmed Khan	51	Chief Scientific Officer	Permanent	Ph.D & 20 Years	01.06.2017	1750000	Center for Liver Research and Diagnostics
6	N.M. Akbar	34	Project Manager	Permanent	MBA & 8 Years	01.06.2017	600000	Center for Liver Research and Diagnostics
7	Avinash Bardia	34	Scientist	Permanent	Ph.D & 7 Years	01.06.2017	833340	Center for Liver Research and Diagnostics
8	Sandeep Kumar V	31	Scientist	Permanent	Ph.D & 10 Years	01.06.2017	750000	Center for Liver Research and Diagnostics
9	Ch. Kalyan Kumar	40	Vice President - Lab Operations	Permanent	Ph.D & 13 Years	01.06.2017	750000	Krisani Bio Sciences Private Limited
10	V. Bhavani	39	Head - Molecular Genetics	Permanent	Ph.D & 10 Years	01.06.2017	500000	Krisani Bio Sciences Private Limited
11	Phanni Bhushan Meka	34	Scientist	Permanent	Ph.D & 5 Years	01.07.2017	360000	Osmania University
12	N. Mohan Reddy	35	Scientific Officer	Permanent	Ph.D & 8 Years	01.06.2017	400000	Krisani Bio Sciences Private Limited

- There are no employees who were in receipt of remuneration in excess of INR 1.02 Crores per annum who were employed throughout the financial year.
- There are no employees who were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was in excess of INR 8,50,000 per month.

ANNEXURE VI**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014)

AS ON THE FINANCIAL YEAR 31ST MARCH, 2018

I. REGISTRATION AND OTHER DETAILS:			
i.	CIN	L85110TG1996PLC099198	
ii.	Registration Date	25/01/1996	
iii.	Name of the Company	DR HABEEBULLAH LIFE SCIENCES LIMITED	
iv.	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company	
v.	Address of the Registered office and contact details	2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajendra Nagar Mandal, Hyderabad – 500 048, Telangana State, India Contact : +91 – 90300 57370, 040-2970 3333 E-mail : info@drhsl.com , pcproductsindia@gmail.com URL : www.drhsl.com	
vi.	Whether listed company Yes / No	Yes (BSE Limited, MSEI Limited and ASE Limited)	
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Venture Capital and Corporate Investments Private Ltd Address: 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana State, India Ph No : 040-2381 8475, 040-2381 8476 Email : info@vccilindia.com , online@vccilindia.com	
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1	Research & Experimental Development on Natural Sciences and Engineering (Includes Bio-Pharma and Hospital Services also)	72100	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: -									
Sl. No.	Name and Address of the Company		CIN/GLN		Holding/S subsidiary /Associate	% of shares held	Applicable Section		
1	Krisani Bio Sciences Private Limited 6-3-354/13/B2, Flat. No. B2, Suryateja Apartments, Hindi Nagar, Punjagutta, Hyderabad – 500034, Telangana, India		U73200TG2009PTC065750		Subsidiary	51.33%	2(87)		
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding:-									
Category of Shareholders	No. of Shares held at beginning of year				No. of Shares held at end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & Promoter Group									
(1) Indian									
Individual/ HUF	7629030	0	7629030	74.37	7629030	0	7629030	64.88	(9.49)
Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1) :-	7629030	0	7629030	74.37	7629030	0	7629030	64.88	(9.49)
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) AnyOther	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	7629030	0	7629030	74.37	7629030	0	7629030	64.88	(9.49)

B. Public Shareholding									
1.Institutions									
a)Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e)Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
i)Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2.Non Institutions									
a) Bodies Corp.									
i) Indian	87	0	87	0.00	2	0	2	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to INR 1 lakh / Upto INR 2 Lakh	86345	271000	357345	3.48	104971	183600	288571	2.45	(1.03)
i) Individual shareholders holding nominal share capital up to INR 2 lakh / in excess of INR 2 Lakh	1165643	1106600	2272243	22.15	2562402	478700	3041102	25.86	3.71
c)Others									
1. NRI	0	0	0	0.00	800000	0	800000	6.80	6.80
2 .Clearing Members	1	0	1	0.00	1	0	1	0.00	0.00
Sub-total (B)(2)	1252076	1377600	2629676	25.63	3467376	662300	4129676	35.12	9.49

Sub-total (B)(2):-Total Public Share holding: (B)= (B)(1)+(B)(2)	1252076	1377600	2629676	25.63	3467376	662300	4129676	35.12	9.49
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	8881106	1377600	10258706	100.00	11096406	662300	11758706	100.00	0.00

(ii) Shareholding of Promoters –

Sl. No	Shareholder Name	No. of Shares held at beginning of year				No. of Shares held at end of year				%Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1	MR. K. KRISHNAM RAJU	2899630	0	2899630	28.27	2899630	0	2899630	24.66	0.00
2	DR. MOHAMMED AEJAZ HABEEB	1279124	0	1279124	12.47	1279124	0	1279124	10.88	0.00
3	DR. SYED AMEER BASHA PASPALA	1161800	0	1161800	11.33	1161800	0	1161800	9.88	0.00
4	MRS. K. SARADA VIJAYA KUMARI	865690	0	865690	8.44	865690	0	865690	7.36	0.00
5	MRS. K. NIRUSHA	1029200	0	1029200	10.03	1029200	0	1029200	8.75	0.00
6	MRS. P. PARVATHI	393586	0	393586	3.84	393586	0	393586	3.35	0.00

(iii)Change in Promoters' Shareholding					
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of company
1	MR. K. KRISHNAM RAJU				
	At the beginning of the year	2899630	28.27	2899630	24.66
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/sweat equity etc):	There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of Equity Shares to Non-Promoters, there is change in % of holding.			
	At the End of the year			2899630	24.66
2	DR. MOHAMMED AEJAZ HABEEB				
	At the beginning of the year	1279124	12.47	1279124	10.88
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/sweat equity etc):	There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of Equity Shares to Non-Promoters, there is change in % of holding.			
	At the End of the year			1279124	10.88
3	DR. SYED AMEER BASHA PASPALA				
	At the beginning of the year	1161800	11.33	1161800	9.88
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/sweat equity etc):	There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of Equity Shares to Non-Promoters, there is change in % of holding.			
	At the End of the year			1161800	9.88
4	MRS. K. SARADA VIJAYA KUMARI				
	At the beginning of the year	865690	8.44	865690	7.36
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/sweat equity etc):	There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of Equity Shares to Non-Promoters, there is change in % of holding.			
	At the End of the year			865690	7.36
5	MRS. K. NIRUSHA				
	At the beginning of the year	1029200	10.03	1029200	8.75
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/sweat equity etc):	There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of Equity Shares to Non-Promoters, there is change in % of holding.			
	At the End of the year			1029200	8.75

6	MRS. P. PARVATHI				
	At the beginning of the year	393586	3.84	393586	3.35
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/sweat equity etc):	There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of Equity Shares to Non-Promoters, there is change in % of holding.			
	At the End of the year			393586	3.35

Note: Paid Up Capital of the Company at the Beginning of Year i.e., 01/04/2017 – INR 10,25,87,060/-
Paid Up Capital of the Company at the End of Year i.e., 31/03/2018 – INR 11,75,87,060/-

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) :					
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company*	No. of Shares	% of total shares of the company*
1	Mr. Arun Kumar Bhangadia				
	At the beginning of the year	826800	8.06	826800	8.06
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: Sale on 08/09/2017	(50000)	0.50	776800	7.57
	At the End of the year			776800	6.61
2	Rudraraju Srinivas Kumar				
	At the beginning of the year	231550	2.30	231550	2.30
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: Purchase on 28/04/2017	37800	0.37	269350	2.63
	At the End of the year			269350	2.30
3	M L N KameswaraRao				
	At the beginning of the year	100043	0.98	100043	0.98
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: Sale on 07/04/2017	(40)	0.00	100003	0.97
	Sale on 15/09/2017	(200)	0.02	99803	0.97
	Sale on 06/10/2017	(100)	0.01	99703	0.97
	Sale on 13/10/2017	(323)	0.03	99380	0.97
	Sale on 20/10/2017	(68)	0.01	99312	0.97
	Sale on 27/10/2017	(120)	0.01	99192	0.97
	Sale on 09/03/2018	(100)	0.00	99092	0.84
	At the End of the year			99092	0.84
4	Janakirama Raju Kalidhindi				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: Purchase / Allotment on 17/11/2017	400000	3.62	400000	3.62
	At the End of the year			400000	3.40

5	Rajeswari Harika Kalidhindi				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: Purchase / Allotment on 17/11/2017	400000	3.62	400000	3.62
	At the End of the year			400000	3.40
6	M Srinivas Chaitanya				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: Purchase on 06/10/2017	61000	0.60	61000	0.60
	Purchase / Allotment on 24/01/2017	300000	2.55	361000	3.10
	At the End of the year			361000	3.10
7	Nikitha Korupolu				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: Allotment on 24/01/2017	300000	2.55	300000	2.55
	At the End of the year			300000	2.55
8	Ravi Mandava				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: Allotment on 24/01/2017	100000	0.85	100000	0.85
	At the End of the year			100000	0.85
9	Kalidindi Rajeswari				
	At the beginning of the year	252600	2.46	252600	2.46
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: NIL	0	0.00	252600	2.15
	At the End of the year			252600	2.15
10	M Prabha Sameera				
	At the beginning of the year	64500	0.63	64500	0.63
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: NIL	0	0.00	0	0.00
	At the End of the year			64500	0.55
11	Mohan Rao Pasupulaty VenkataMuzli				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: Purchase on 01/12/2017	75300	0.70	75300	0.70
	At the End of the year			75300	0.64

Notes:

1. Details of Top 10 Shareholders as on 1st April, 2017 and 31st March, 2018 are provided.
2. Details of Changes in Shareholding in the above table are as per the data provided by the Registrar and Share Transfer Agent of the Company.
3. Paid Up Capital of the Company at the Beginning of Year i.e., 01/04/2017 – INR 10,25,87,060/-
Paid Up Capital of the Company at the End of Year i.e., 31/03/2018 – INR 11,75,87,060/-

4. Paid-Up Capital Changes:

- 17/11/2017 – INR 11,05,87,060/- (Preferential allotment of 8,00,000 Equity Shares to Non Promoters)
- 24/01/2018 – INR 11,75,87,060/- (Conversion of 7,00,000 Warrants to Equity Shares to Non Promoters)

Thus, the % of total shares of the Company are calculated according to the respective Capital effective on the date of holding.

4. Shares have been categorized / re-grouped wherever necessary.

(v) Shareholding of Directors and Key Managerial Personnel:						
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	Mr. K. Krishnam Raju Whole-time Director & Executive Chairman (Promoter Executive Director) (KMP)					
	At the beginning of the year		2899630	28.27	2899630	28.27
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: NIL		There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of Equity Shares to Non-Promoters, there is change in % of holding.			
	At the End of the year			2899630	24.66	
2	Dr. Mohammed Aejaz Habeeb Promoter Non Executive Director					
	At the beginning of the year		1279124	12.47	1279124	12.47
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: NIL		There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of Equity Shares to Non-Promoters, there is change in % of holding.			
	At the End of the year			1279124	10.88	
3	Dr. Syed Ameer Basha Paspala Promoter Non Executive Director					
	At the beginning of the year		1161800	11.33	1161800	11.33
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: NIL		There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of Equity Shares to Non-Promoters, there is change in % of holding.			
	At the End of the year			1161800	9.88	
4	Dr. A. Jyothy Independent Non Executive Director					
	At the beginning of the year		0	0	0	0
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease:		0	0	0	0
	At the End of the year			0	0	

5	Dr. A. Radha Rama Devi Independent Non Executive Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease:	0	0	0	0
	At the End of the year			0	0
6	Dr. T.V. Rama Krishna Murthy Independent Non Executive Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease:	0	0	0	0
	At the End of the year			0	0
7	Mrs. K. Nirusha Person Acting in Concert to Promoter & Chief Financial Officer (KMP)(Appointed w.e.f. Monday, 26 th June, 2017)				
	At the beginning of the year	1029200	10.03	1029200	10.03
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease:	There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of Equity Shares to Non-Promoters, there is change in % of holding.			
	At the End of the year			1029200	8.75
8	Ms. Pooja Jain Company Secretary & Compliance Officer (KMP)				
	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease:	0	0	0	0
	At the End of the year			0	0

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Indebtedness at the beginning of the financial year	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount				
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due				
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
Addition	0	69,25,000	0	69,25,000
Reduction	0	(69,25,000)	0	(69,25,000)
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due				
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL				
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:				
Sl. no.	Particulars of Remuneration	Name of WTD		Total Amount
		Mr. K. Krishnam Raju		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	INR 39,00,000/-		INR 39,00,000/-
2.	Stock Option	--		--
3.	Sweat Equity	--		--
4.	Commission- as % of profit – Others specify	--		--
5.	Others, please specify	--		--
	Total (A)	INR 39,00,000/-		INR 39,00,000/-
	Ceiling as per the ACT	INR 60,00,000/- p.a.		

B. Remuneration to other directors:							
Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
		Dr. A. Radha Rama Devi	Dr. A. Jyothy	Dr. T.V. Rama Krishna Murthy	Dr. Mohammed AejazHabeeb	Dr. Syed Ameer Basha Paspala	
1.	Independent Directors ➤ Fee for attending board / committee meetings Commission ➤ Others, please specify	60,000/-	60,000/-	60,000/-	--	--	1,80,000
2.	Other Non- Executive Directors ➤ Fee for attending board / committee meetings ➤ Others, please specify (Professional Fees)	--	--	--	--	--	--
		--	--	--	8,48,394	6,53,453	15,01,847
3.	Sweat Equity	--	--	--	--	--	--
4.	Commission- as % of profit – Others specify	--	--	--	--	--	--
5.	Others, please specify	--	--	--	--	--	--
	Total (A)	60,000	60,000	60,000	8,48,394	6,53,453	16,81,847
	Ceiling as per the ACT	INR 1,00,000/- per Meeting			--		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (in Rs. Except Stock Option)					
Particulars of Remuneration		Key Managerial Personnel			
		CEO	Company Secretary (Ms. Pooja Jain)	CFO (Mrs. K. Nirusha)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	INR 4,80,000/-	INR 6,87,500/-	INR 11,67,500/-
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--	--
5.	Others, please Specify	--	--	--	--
	Total		INR 4,80,000/-	INR 6,87,500/-	INR 11,67,500/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Details of Payment towards Penalty of INR 4,00,000/- by Company to the Securities Exchange Board of India (SEBI) is disclosed in the Board's Report.					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	--	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

MANAGEMENT DISCUSSION & ANALYSIS REPORT

(Pursuant to Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

This section shall include discussion on the following matters within the limits set by the listed entity's competitive position:

- a) Industry structure and developments
- b) Opportunities and threats
- c) Snapshot of the Company and its Products and its Performance
- d) Outlook
- e) Risks and concerns
- f) Internal control systems and their adequacy
- g) Discussion on financial performance with respect to operational performance
- h) Material developments in HR/Industrial Relations front, including number of people employed

a) INDUSTRY STRUCTURE AND DEVELOPMENTS:

According to a World economic outlook report published by the International Monetary Fund (IMF) in January 2018, the global economy is expected to grow by 3.9% in 2018, compared to 3.7% in 2017. The focus on R&D driven innovation is significantly growing and is seen as a key driver for delivering economic growth. The healthcare industry is proving to have high growth potential especially in the emerging markets with enhanced interest and increased apprehension in patients about health ailments and their causes, growing technological assistance in speedy and efficient healthcare availability. Global pharmaceutical R&D industry is embracing transformational changes at a remarkable pace leading to some notable trends like:

Orphan Drugs: There has been an observable shift in the characteristics of biopharmaceutical innovation over the past two decades. Drugs addressing unmet needs (orphan drugs) have increased their share of launches from 23% in 2001-05 period to 42% in the most recent 5 year period. This precisely strengthens and echoes the belief in the need for new drug discovery in unmet medical and rare disease conditions.

The new drug discovery division of DRHLSL, represented by its subsidiary company, Krisani Bio Sciences Pvt. Ltd. Has till date obtained 12 (twelve) international patents from across the globe for the treatment of Wilson Disease, Neuropathic Pain, NASH, NephropathicCystinosis, Huntington Disease and Hypertriglyceridemia. From The latest market report published by Credence Research, Inc "Wilson's Disease Drugs Market - Growth, Future Prospects, Competitive Analysis, 2017 - 2025," the global Wilson's disease drugs market was valued at US\$ 372.5 Mn in 2016, and is expected to reach US\$ 592.8 Mn by 2025 expanding at a CAGR of 5.19 % from 2017 to 2025. The neuropathic pain market, another of the Company's pro-drug segment, is anticipated to grow from USD 2.58 billion in 2012 to USD 3.58 billion in 2022 at a CAGR of 3.19%. Lidocaine patches themselves are a large and growing market opportunity with over \$1.4B in annual sales (~\$1.1 billion for the 12 months ending June 30, 2015, IMS Health).

Shift to Specialty Drugs: There is a sustained shift in the focus of new medicines towards specialty drugs and an increased proportion of New Molecular Entity(NME) approved in the specialty areas. As per the analysis of IQVIA, specialty drugs will contribute all of the growth in medicine spending in 2018 as against the traditional medicines. The specialty medicines reflect a wide range of therapies to treat severe, chronic, complex or rare conditions. Though the adoption is still low, Customized and targeted patient treatment (tailormade treatment) like gene therapy, insights from human genetics and precision medicine will increasingly transform healthcare by bringing value through innovation biotechnology. Given that 80% of rare diseases are of genetic origin, early diagnosis and prognosis can add substantial value and time to the patient's life. The Company's molecular diagnostics division untiringly works towards this with its state-of- the-art infrastructure and advanced diagnostic kits.

In India, The Health Care sector is expected to grow annually at 16-17% to reach Rs 8.6 lakh crore by FY22 on the back of the Centre's Ayushman Bharat Scheme which, if implemented successfully, can go a long way in meeting severe shortage of healthcare infrastructure providing significant growth opportunity for

hospitals and huge growth potential for healthcare companies like DRHLSL. There are observable efforts from the Government of India to escalate its role in Indian Healthcare from a provider to an insurer. In accordance, through the 2017 Union Budget, the Government has pushed to make Aadhar card a health identifier for basic health services in the Country. It was also a critical step in identifying the beneficiaries of social healthcare insurance programs being rolled out by the government.

In Union Budget 2018, the government has given a further push to enhancing the healthcare system of the nation by, launching the Ayushman Bharat, which will provide insurance coverage of up to 5 lakh INR to 10 crore poor families in India. This budget is also special because for the very first time, under the guidance of NITI Aayog, allocations to the tune of 3,073 crore INR have been set for creating a digital economy with emerging technologies like Artificial Intelligence (AI), the Internet of Things (IOT), Blockchain and 3D printing, which are necessary for building a modern technology landscape in healthcare delivery. If successfully implemented, this can reduce wait times and improve productivity greatly by minimizing human intervention in electronic medical records (EMRs)/enterprise resource planning (ERP)/hospital information systems (HISs).

b) OPPURTUNITIES AND THREATS:

Globally, the healthcare industry is entering a period of significant change bringing opportunities and challenges. The bar for innovation continues to rise to have demonstrable benefit to the healthcare system. However, this puts forth the need to change/modify the existing regulatory framework to support accelerated approvals, simplify the post-approval landscape and adapt to future regulatory needs.

In India, the healthcare sector has been facing several challenges like shortage of healthcare infrastructure including bed capacity (India has just 0.7 beds per 1000 people compared to the global average of 2.7 and the WHO recommendation of 3.5 beds) as well as medical practitioners (India has just 0.7 physicians and 1.7 nurses per 1000 people compared to the global average of 1.4 physicians and 2.9 nurses respectively). The industry also has been facing several challenges on pricing and margins. Considering the government focus on providing low-cost healthcare services to the poor, these challenges are expected to continue. To overcome pricing challenges, hospitals should focus on diversified specialty mix rather than single therapeutic area. The increasing need for meeting the infrastructure and manpower shortage, provides significant untapped opportunities to a company like DRHLSL that continually strives to address unmet medical needs and make healthcare affordable to everyone alike.

Also, the rising income levels, growing health awareness and changing attitude towards preventive healthcare is expected to boost healthcare services demand in the future. Hospitals are expected to grow at 16-17% CAGR to reach Rs 8.6 lakh crore by FY22 from Rs 4 lakh Crore in FY17. These, along with the government's mega plan of expanding healthcare reach across the country through the Ayushman Bharat Scheme, provide good growth prospects for company like DRHLSL, with diversified healthcare solutions like Molecular Diagnostics, New Drug discovery and Stem cell based Healthcare Center.

The Company finds great opportunity in the current global In-vitro Diagnostics market which encompasses one of its important business divisions of Molecular Diagnostics. The in-vitro diagnostics market is projected to reach USD 87.93 Billion by 2023 from USD 68.12 Billion in 2018, at a CAGR of 5.2%. The global genetic testing market is projected to grow at a CAGR of 11.76% to grow from US\$4.620 billion in 2017 to US\$5.783 billion in 2022. The global genetic testing demand is driven by a number of factors such as aging global population, rising incidences of genetic and hereditary diseases, growing awareness, technological advancements and rise in application of genetic testing for early detection of various diseases.

As R&D in this area increases, the global genetic testing market is expected to witness a substantial boost in its overall growth in the next five years. North America holds the largest share of global genetic testing market owing to technological advancements, rising prevalence of genetic diseases and high quality of infrastructure to support the genetic testing industry in the region. However, emerging economies hold good potential for the growth of genetic testing market due to factors such as rising patient pool, more government funding supporting the investment in the industry and growing awareness regarding the technology. APAC region will witness the fastest market growth owing to rising aging population, rising purchasing power, and technological advancements in the region.

c) SNAPSHOT OF THE COMPANY AND ITS PRODUCTS AND ITS PERFORMANCE:

DRHLSL operates through 5 core business divisions:

Molecular Diagnostics: The Company has best-in-class infrastructure under its ISO 9001:2015 certified, molecular diagnostics division. DRHLSL strongly believes in prevention better than cure. Under this, it offers DNA and RNA based tests for Infectious Diseases, Oncology, Endocrinology, Transplantation typing, Haematology, Pharmacogenetics, and Pre-natal and pre-implantation genetic diagnostics. The in-house Cytogenetics Lab offers karyotype fluorescence in-situ hybridization (FISH) analysis to detect targeted chromosome abnormalities. The results from these studies play important roles in cytogenetic diagnosis, prognosis, and guide treatment of specific types of hematologic malignancies and solid tumors.

In India, around 50% of women who are diagnosed with breast cancer die within half a decade. The fatality is alarmingly high specially when compared to developed countries or even China. This severe situation can be changed if cancer is detected early. DRHLSL's Molecular Diagnostics division is dedicated to developing new techniques for the early detection of cancer. This division is focused to introduce mRNA & miRNA profiling based diagnostic assays in solid tumors and also in liquid biopsies to improve tumor classification, monitor disease progression and potentially allow earlier detection of cancer. It is also focused on the detection of biomarkers from solid tumors. This division has patents granted under the Singapore Patent office and United States Patent and Trademark Office (USPTO) for the development of an assay for early detection of Breast cancer. This division holds strategic collaborations with leading global organizations & clinical investigators who will provide well pedigreed clinical specimens such as blood and tissues etc. It also has collaboration with Basavatharakam Indo American Cancer Hospital & Research center (BIACHRC), Hyderabad.

Stem Cell Research and Medical Devices: DRHLSL boasts of more than two decades of research and clinical expertise in stem cells isolation, characterization and clinical applications in acute liver failure, liver cirrhosis and several other devastating conditions. Following in the visionary path showed by Dr. CM Habeebullah, an eminent Gastroenterologist in India, the scientists at DRHLSL with realistic inputs from its team qualified medical clinicians are trying to promote the applicability of stem cells and regenerative medicine in human health practices on highly scientific background. This division primarily focuses on providing support to patients with acute liver failure, end-stage liver diseases such as liver cirrhosis and also bridge the gap of liver transplantation as supportive modality. Furthermore, the Center is also dedicated to imply stem cells in neurological disorders such as Parkinson, Alzheimer, amyotrophic lateral sclerosis, Duchene muscular dystrophy (DMD) and spinal cord injury (SCI), etc.

Since the last few decades there has been a huge advancement in the area of cellular, molecular medicine and Nano biotechnology. This has led to paradigm shift in the management of various advanced diseases. Management of chronic diseases has become challenging due to the involvement of multi-organ failure and hemodynamic imbalances. There has been an increased need for the development of extracorporeal cellular and implantable devices using advance technologies which will provide less invasive and targeted treatment for end stage chronic diseases (ESCD). The major requirement of such advanced devices has been in ESCD of End stage liver disease, Spinal cord injury, Cancer and Diabetes. Accordingly, DRHLSL has been extensively working towards addressing these ESCD through its patented inventions, that in all probability can further lead to:

- Development of extra-corporeal liver support devices for management of systemic toxicity produced during Acute Liver Failure(ALF).
- A neural conduit to reconstitute and regenerate the degenerated or damaged nervous system.
- Development of extra-corporeal device for the removal of Circulating Tumor Cells (CTCs) from cancer patients.
- Development of implantable nanochips carrying insulin producing cells for the management of uncontrolled diabetes mellitus.

Out-patient Division of Hospital: DRHLSL will very soon establish a state-of-the-art Stem-cell based Hospital to provide a longer lasting relief for patients suffering with chronic illness and diseases. Currently, the facility is being used to provide out-patient specialty services through eminent medical professionals in Gastroenterology, Neurology, Cardiology, ENT, Radiology, Nephrology, Orthopedics, Oncology, Urology, Pulmonology, Gynecology and General Medicine.

This division (ORIGIN Hospital) is in the trial run phase since the end of 2017. The Company plans to launch the full-fledged services from October 2018.

New-Drug Discovery: This division is currently working on 5 therapeutic areas of Wilson's disease, Non-Alcoholic Steatohepatitis (NASH), Neuropathic Pain, Cardiovascular Diseases, Cystinosis, Huntington's disease and has been granted 12 international patents. Most of the above molecules have the ability to qualify for 505(b) 2 approval process as per USFDA. Adopting the concept of prodrug and selection of orphan drugs enables Less time frame, cost, and regulatory hurdles in comparison with New Chemical Entities. The new drug discovery and development process of Dr Habeebullah Life Sciences is based on IP protected, low risk innovative platform. This, coupled with the strategy of selecting orphan drug category for the product portfolio gives the Company an added advantage to commercialize its NME's at a proof-of- concept stage.

The new drug discovery division is in advanced stage discussions with a UK based Company for outright sale of its Cysteamine derivatives. The remaining product portfolio is in pre-clinical trial stage.

Skill Development: Dr. Habeebullah Life Sciences Limited (HLS) in association with Centre for Liver Research and Diagnostics (CLRD) is establishing the Integrated Centre for Clinical & Surgical Skill Development (ICCSD), a State-of-the-art, one of its kind, Research & training facility, as a part of its efforts towards the education of students as well as Qualified Professionals. This aims at surgical skill development courses through live demonstration on animals, cadaver (dead bodies) , Stimulator and in Virtual model. This division is focused to develop various kinds of human mimetic disease models for neurological, gastro, liver and other pathological conditions using surgical and chemical methods by providing "near life" situation.

Needless to say, ICCSD will be the first fully functional & exclusive center of excellence in the making, for clinical & surgical skill development in India. The Lab is expected to be ready and functional by January 2019.

d) OUTLOOK:

The Company aspires to establish training institutes to impart the culture of advanced research and innovation amongst the budding scientific community in the state and the nation. The upcoming Cadaver Lab is the first step in that direction.

DRHLSL derives its inspiration for quality medical research from Padmasri Prof. C.M.Habeebullah, who has pioneered the first cell-based therapy (in 1994) in liver diseases. He has demonstrated the potential of human hepatic cells in the management of acute liver failure. Thereafter, the scientific team continues to do study on the potential of hepatic stem cell-based therapy and is working dedicatedly towards regenerative treatment of diseased liver by human hepatic stem cells.

Equally valuable research work is being carried out in the field of neurology. Estimated annual global incidence of Spinal Cord Injury is 40 to 80 cases per million population. Up to 90% of these cases are due to traumatic causes, though the proportion of non-traumatic spinal cord injury appears to be growing. As per a WHO report, from the year 2005 to 2030, the neurological injuries are estimated to grow by 16%. The available treatment strategies represent operative risks and high maintenance costs. It's thought that stem cells may encourage the re-growth or rehabilitation of damaged nerve cells and a full spinal cord repair as well seems possible. Cell-based therapy is emerging as one of the alternative therapy for end-stage diseases. As this therapy does not involve major invasive procedure, hence it is becoming more acceptable for future treatment modalities. The Company has opted different sources of human neural stem cells for their future regenerative applications in various neurological conditions. These emerging technologies are very promising and could change the treatment strategy in Spinal Cord Injury and other neurological disorders.

DRHLSL looks at starting its full-fledged commercial operations of the out-patient wing of the Hospital (ORIGIN Hospital) by October 2018. The Company's Molecular Diagnostics Lab is ISO certified with world class infrastructure to efficiently handle corporate and commercial clients for its Molecular Diagnostics division. Geographically, Molecular Diagnostics division (Krisani Diagnostics) is resolved on effectively expanding diagnostic centers across the city of Hyderabad by 2018 and in due course, expand to major towns across Telangana and Andhra Pradesh by 2019 and to all the major cities in India by 2020.

DRHLSL's rich talent pool consists of eminent doctors and noteworthy scientists, who relentlessly work towards new medical innovations to address unmet medical needs and enhance the quality of human life. This makes it crucial to safeguard our path breaking innovation to bring forth the end result in the most transparent and ethical way possible. Thus, going forward we aim to file 4-5 patents every year in our stem cell research, molecular diagnostics and new drug discovery divisions.

The Company aspires to establish training institutes to impart the culture of advanced research and innovation amongst the new scientific community in the state and the nation. The upcoming Skill Development Centre (Cadaver Lab) is the first step in that direction.

e) RISKS AND CONCERNS:

DRHLSL believes in mitigating risk at every stage to ensure we do not miss out on the opportunities that come our way.

The Company' business model is a two pronged strategy. It includes both high value creation disruptive technologies like Stem Cell and New Drug discovery on one side and daily revenue generating high potential Molecular Diagnostics and Hospital platforms on the other side. This proper mix of high potential R&D and Medical Services is aimed at minimizing the risk and maximizing the stake holders wealth. We establish checkpoints at every stage of our drug discovery and R&D divisions, to ensure risk controlled, sustainable business. Our research is focused on groundbreaking technologies such as stem cell, organogenesis, RNA interference and New Drug discovery under low risk pro-drug concept. We are aware that the research and development, manufacture and sale of our products and services may pose ethical issues, and we aim to be open and efficient about how we tackle them.

f) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

DRHLSL strongly believes that a conscientiously run business is beneficial for the society and our company. It is essential for us to operate efficiently, to gain the trust of our stakeholders, to create products and services that address the unmet needs of patients and to foster the right working conditions for expansion of our business. To enable this, we have established our own challenging standards in corporate responsibility, appropriate to the complexities and specific needs of our business, building on external guidelines and experience.

DRHLSL has adopted strong internal control systems backed by constant reviews and up-gradation. Internal Audit and Statutory Audit by external agencies and the Audit Committee look into the internal control aspects and will advise on the corrective measures as and when required.

g) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The management discussion and analysis given below relate to the Audited Financial Statements of Dr Habeebullah Life Sciences Limited. The discussion should be read in conjunction with the financial statements and related notes to the financial statements for the year ended 31st March 2018.

Summary:

Revenue from Operations: Revenue, being 1st year of operations in the core segment of business, aggregated to INR 6.17 million in the Financial Year 2018.

The Company has started its commercial activity in health care sector in the year 2017-18 and has been improving in terms of brand awareness and revenue generation. Moreover many critical and revenue generating equipment like MRI, CT Scan, ultra sound have been brought into commercial usage during the Financial Year 2018-19.

The hospital is adding more number of specialties and also conducting free/subsidized health camps which will help in creating brand awareness and also will help in serving the poor for free.

h) MATERIAL DEVELOPMENTS IN HR/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

At DRHLSL, we strongly believe that Employees are our single most important resource and investment. The Human Resource strategy of the Company is aimed at providing a conducive work environment to all our employees and are encouraged to pursue their passion for excellence while striking a healthy work-life balance. We are determined on providing equal opportunity to all the employees, with a particular focus on improving gender diversity. Through a range of HR-led initiatives, we offer customized training programs to enhance the staff's scientific and leadership skills with special attention to collaborative learning amongst the several teams.

As on 31st March 2018, the Company had a dedicated team of 42 people, with the scientific team consisting more than 50% of the total workforce. We continue to actively recruit campus freshers and experienced workforce to cater to our Company's requirement.

CAUTIONARY STATEMENT/DISCLAIMER CLAUSE

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statement.

ANNEXURE VIII**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

DR HABEEBULLAH LIFE SCIENCES LIMITED ("the Company") shall endeavor to adhere to values of good corporate governance and ethical business practices to maintain sound standards of Business Conduct and Corporate Governance.

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the organization.

For DR HABEEBULLAH LIFE SCIENCES LIMITED, however, good corporate governance has been a cornerstone of the entire management process, the emphasis being on professional management with a decision making model based on decentralization, empowerment and meritocracy, to adopt the best practices in Corporate Governance, to consistently communicate and make timely disclosures, so as to ensure transparency, integrity and accountability to enhance the value of the stakeholders and achieve sustainable growth of the Company.

Date of Report:

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2018. The Report is updated as on the date of the report wherever applicable.

2) BOARD OF DIRECTORS**Composition and Category of Directors:**

The Company is managed and controlled through a professional body of Board of Directors which comprises of an optimum combination of Executive and Independent Directors.

The Board has been enriched with the advices and skills of the Independent Directors. None of the Independent Directors has any pecuniary or business relationship.

The Board consists of SIX directors comprising 1 (One) Executive Director, 2 (Two) Non-Executive Directors and 3 (Three) Independent Directors.

The Composition of the Board is in conformity with Section 149(4) of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015. None of the Directors is a member of more than 10 committees or Chairman of more than 5 Committees across all the companies in which they are directors.

Number of Board Meetings held during the year 2017-18:

During the year, the Board of Directors duly met 4 (Four) times on 27/05/2017, 23/08/2017, 17/11/2017, and 24/01/2018;

in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

Attendance of each Director at the meeting of the Board of Directors, Directorships, committee Memberships and the attendance at last 21st Annual General meeting:

NAME OF DIRECTOR & DESIGNATION	CATEGORY	NUMBER OF BOARD MEETINGS ATTENDED DURING THE YEAR 2017-18	WHETHER ATTENDED LAST 21 ST AGM HELD ON WEDNESDAY, 27 th SEPTEMBER, 2017	NO. OF DIRECTORSHIPS IN OTHER COMPANIES		NO. OF COMMITTEE POSITIONS IN OTHER COMPANIES	
				Chairman	Member	Chairman	Member
Mr. K. Krishnam Raju	Promoter Executive (Wholetime Director & Chairman)	4	YES	-	2	-	-
Dr. Mohammed Aejaz Habeeb	Promoter Non-Executive Director	4	YES	-	-	-	-
Dr. Syed Ameer Basha Paspala	Promoter Non-Executive Director	4	YES	-	1	-	-
Dr. A. Jyothy	Independent Non-Executive Director	4	YES	-	-	-	-
Dr. A. Radha Rama Devi	Independent Non-Executive Director	4	YES	-	-	-	-
Dr. T.V. Rama Krishna Murthy	Independent Non-Executive Director	4	YES	-	-	-	-

Note: In accordance with Regulation 26 of SEBI (LODR) Regulations, 2015, membership/chairmanship of only audit committee, Shareholders/Investors Relationship Committee of all Companies has been considered.

Disclosure of relationships between directors inter-se:

Except Dr. Mohammed Aejaz Habeeb and Dr. Syed Ameer Basha Paspala; being related to each other, none of the Directors are inter-se related to each other.

Number of Shares & Convertible Instruments held by Non-Executive Directors:

1	Dr. Mohammed Aejaz Habeeb	12,79,124 Equity Shares (10.88 % of Paid Up Capital) 5,00,000 Convertible Equity Share Warrants
2	Dr. Syed Ameer Basha Paspala	11,61,800 Equity Shares (9.88 % of Paid Up Capital) 5,00,000 Convertible Equity Share Warrants

Independent Directors' Meeting:

As per Clause 7 of the schedule IV of the Companies Act (Code for Independent Directors) read with Regulation 25(3) of SEBI LODR Regulations, 2015, a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 27/05/2017 to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

Familiarization Programmes imparted to Independent Directors:

In terms of Reg. 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should conduct Familiarization Programs for Independent Directors about their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various initiatives.

Independent Directors are familiarized about the Company's operations and businesses.

The Company at its various meetings held during the Financial Year 2017-18 had familiarized the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company and future outlook, etc.

They are made to interact with senior management personnel and are given all the documents, reports and internal policies sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a part of will enable the Directors to contribute significantly to the Company. Periodic updates are made at the Board and Committee Meetings on business and performance of the Company, business strategy, relevant statutory changes and important amendments are provided to the Directors.

The details of training and familiarization program are available on company' website (<http://www.drhlsl.com/wp-content/uploads/2018/06/Familiarization-Programme-2017-18.pdf>).

Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The terms and conditions of appointment is available on our website (www.drhlsl.com).

1) COMMITTEES OF THE BOARD**I. AUDIT COMMITTEE**

(Constituted in terms of Sec 177 of the Companies Act, 2013 read with Regulation 18 of SEBI LODR Regulations, 2015)

Brief description of terms of reference:

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.

- Reviewing with management the annual financial statements before submission to the Board, focusing on:
 - a. Any changes in accounting policies and practices;
 - b. Qualification in draft audit report;
 - c. Significant adjustments arising out of audit;
 - d. The going concern concept;
 - e. Compliance with accounting standards;
 - f. Compliance with stock exchange and legal requirements concerning financial statements and
 - g. Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

Composition, Meetings and Attendance:

The Audit Committee comprises of 1 (One) Promoter Non Executive and 2 (Two) Independent Non Executive Directors and Chaired by Mr. T.V. Rama Krishna Murthy.

Name	Designation	Category	No. of Meetings Attended	Committee Meeting Dates
Dr. T.V. Rama Krishna Murthy	Chairman	Independent Non-Executive	4	27/05/2017
Dr. A. Jyothy	Member	Independent Non-Executive	4	23/08/2017
Dr. Syed Ameer Basha Paspala	Member	Promoter Non-Executive	4	17/11/2017
				24/01/2018

Previous Annual General Meeting of the Company was held on Wednesday, 27th September, 2017 and Dr. T.V. Rama Krishna Murthy, Chairman of the Audit Committee for that period, attended previous AGM.

II. NOMINATION AND REMUNERATION COMMITTEE (Constituted in terms of Sec 178 of the Companies Act, 2013 read with Regulation 19 of SEBI LODR Regulations, 2015)

Brief description of terms of reference:

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
 - a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.

- b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

Composition, Meetings and Attendance:

The Nomination and Remuneration Committee of the Company consists of 3 (Three) Independent Non Executive Directors including Chairman.

Name	Designation	Category	No. of Meetings Attended	Committee Meeting Dates
Dr. A. Jyothy	Chairperson	Independent Non-Executive	4	27/05/2017
Dr. A. Radha Rama Devi	Member	Independent Non-Executive	4	23/08/2017
Dr. T.V. Rama Krishna Murthy	Member	Independent Non-Executive	4	17/11/2017
				24/01/2018

Performance Evaluation Criteria for Independent Directors:

The Committee shall establish the following processes for evaluation of performance of Independent Director and the Board.

- i. Once a year, the Board will conduct a self-evaluation. The Chairperson will meet with the directors either collectively or separately, as he may deem fit, seeking input in relation to the performance of the Independent Directors.
- ii. The Chairperson will collect the input and provide an overview to the Board for its discussion.
- iii. The Board as a whole will discuss and analyze the performance collectively of each director individually and its own performance during the year including suggestions for change or improvement, as well as any skills, education or development required over the forthcoming year.
- iv. The Board / Independent Directors shall be asked to complete the evaluation forms (As designed by the Committee from time to time) and submit the same to the Chairman.

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

At all levels and all times monetary compensation has been if not the sole but the most important motivational aspect for getting the job fulfilled under any given business scenario.

It is the endeavor of **DR HABEEBULLAH LIFE SCIENCES LIMITED** ("Company") that its Nomination & Remuneration Policy should represent the mode in which the Company carries out its business practices i.e. fair, transparent, inclusive and flexible.

The Company strives that its Remuneration Policy should attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits.

This Nomination and Remuneration Policy applies to Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company.

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and Employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration/Compensation Committee ("NRC") and approved by the Board of Directors of the Company.

CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) shall constitute the committee to be known as the Nomination and Remuneration/Compensation Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether Executive or Non-Executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

APPLICABILITY

- a) Directors (Executive and Non-Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel
- d) Other Employees

OBJECTIVE

The Nomination and Remuneration/Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP, Senior Management Personnel and other Employees. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- 1.3. Formulation of criteria for evaluation of Independent Director and the Board.
- 1.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.8. To develop a succession plan for the Board and to regularly review the plan.

1.9. To assist the Board in fulfilling responsibilities.

1.10. To Implement and monitor policies and processes regarding principles of corporate governance.

DEFINITIONS

“Act” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“Board” means Board of Directors of the Company.

“Directors” mean Directors of the Company.

“Key Managerial Personnel” means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. such other officer as may be prescribed.

Other employees' means all employees other than the Directors, KMPs and the Senior Management Personnel. Policy or This Policy' means, “Nomination and Remuneration Policy.”

“Senior Management” means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

APPOINTMENT CRITERIA AND QUALIFICATIONS

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years.

Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

TERM / TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

REMOVAL

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

RETIREMENT

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

BOARD DIVERSITY

The Board shall consist of such number of Directors, including atleast one women Director and not less than fifty percent of the Board of Directors comprising non-executive directors, as is necessary to effectively manage the Company of its size.

When the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise independent directors and in case the Company does not have a regular non-executive Chairman or in case the regular non-executive Chairman is a promoter of the Company, at least half of the Board comprise independent directors. The Committee will lead the process for Board appointments. All Board appointments will be based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Committee shall seek to address Board vacancies by actively considering candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience.

The candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. Additionally the Board may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing and business development, international business, operations management etc. so as to bring diversified skill sets on board or succeed any outgoing director with the same expertise.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**1. Remuneration to Managing/ Whole-Time / Executive/Managing Director, KMP and Senior Management Personnel:**

The Remuneration/ Compensation/ Commission etc. to be paid to Director/Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

2. Remuneration to Non-Executive/Independent Director:

The Non-Executive Independent Director may receive remuneration/ compensation/commission as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

3. Remuneration to other Employees:

- Apart from the Directors, KMPs and Senior Management Personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions.
- The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.
- The annual increments to the remuneration paid to the employees shall be determined based on the appraisal carried out by the HODs of various departments. Decision on Annual Increments shall be made on the basis of this appraisal.

NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Recommend any necessary changes to the Board.
- Considering any other matters as may be requested by the Board.

REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- to consider any other matters as may be requested by the Board;

REVIEW AND AMENDMENT

- The NRC or the Board may review the Policy as and when it deems necessary.
- This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy. However, no such amendment or modification will be binding on the Directors and employees unless the same is communicated in the manner described as above.

III. REMUNERATION OF DIRECTORS

- a) There were no pecuniary transactions with any non-executive director of the Company except:

Professional Fees is being paid to 2 Promoter Non- Executive Directors for the services rendered by them at ORIGIN HOSPITALS (Out-Patient Consultancy Division of DRHLSL)

- b) The Company has not paid any remuneration to its Non-Executive Directors, except the Sitting fees paid to 3 Independent Directors.
- c) Criteria of making payments to non – executive directors: The criteria of making payments to non – executive directors is as per the Performance Evaluation and Nomination & Remuneration Policy.
- d) Details of the remuneration of Directors for the year ended 31st March, 2018 are as follows

(PER ANNUM) (IN INR)

Name	Salary	Perquisites & other benefits	Performance Bonus / commission	Others / Professional Fees	Sitting fees	Total	No. of Equity Shares held
Mr. K. Krishnam Raju Whole-time Director	39,00,000	0	0	0	0	39,00,000	28,99,630
Dr. Mohammed Aeja Habeb Promoter Executive Director	0	0	0	8,48,394	0	8,48,394	12,79,124
Dr. Syed Ameer Basha Paspala Promoter Executive Director	0	0	0	6,53,453	0	6,53,453	11,61,800
Dr. A. Radha Rama Devi, Independent Director	0	0	0	0	60,000	60,000	0
Dr. A. Jyothy Independent Director	0	0	0	0	60,000	60,000	0
Dr. T.V. Rama Krishna Murthy Independent Director	0	0	0	0	60,000	60,000	0

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

(Constituted in terms of Sec 178 of the Companies Act, 2013 read with Regulation 20 of SEBI LODR Regulations, 2015)

Terms of Reference:

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also function in an efficient manner so that all issues / concerns of stakeholders are addressed and resolved promptly.

Composition and Attendance of Members:

Name	Designation	Category	No. of Meetings Attended	Committee Meeting Dates
Dr. T.V. Rama Krishna Murthy	Chairman	Independent Non-Executive	4	27/05/2017
Dr. A. Jyothy	Member	Independent Non-Executive	4	23/08/2017
Dr. Mohammed Aeja Habeb	Member	Promoter Non-Executive	4	17/11/2017
				24/01/2018

Name and Designation of Compliance Officer: Ms. Pooja Jain is the Company Secretary and Compliance Officer of the Company.

NUMBER OF COMPLAINTS	NUMBER
Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / National Stock Exchange / SCORE and so on	-
Number of complaints resolved	-
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2018	-
Complaints pending as on March 31, 2018	-
Number of Share transfers pending for approval, as on March 31, 2018	-

V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As explained in Board's Report, the formation of CSR Committee is not applicable to the Company.

4) GENERAL BODY MEETINGS

- a. The location and time of the Annual General Meetings held during the last three years and number of Special Resolutions passed at that meetings:

Year	Date and Time	Venue	Number of Special Resolutions Passed
2016-17	Wednesday, 27th September, 2017 at 10.30 AM	2-5-26/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajender Nagar Mandal, Hyderabad, 500048, Telangana State, India	Yes - 10
2015-16	Friday, 30th September, 2016 at 11.00 AM	4-7-375/A, Television Hotel Lane, Esamia Bazar, Hyderabad, 500027, Telangana State, India	No - Nil
2014-15	Wednesday, 16h September, 2015 at 11.00 AM	4-7-375/A, Television Hotel Lane, Esamia Bazar, Hyderabad, 500027, Telangana State, India	Yes - 1

- b. Resolutions passed through Postal Ballots in FY 2017-18:

- Ratification of disclosure of details of pre and post issue shareholding of proposed allottees as mentioned in the explanatory statement, who are the beneficial owners in respect of allotment of 27,50,000 convertible share warrants on preferential basis under non-promoter category
- Issue of 10,00,000 convertible equity share warrants on preferential basis to the promoters
- To authorize board of directors to enhance the investment under section 186 of the companies act, 2013
- To borrow money(ies) for the purpose of business of the company and grant powers to the board
- Creation of charges on the movable and immovable properties of the company, both present and future, in respect of borrowings

Mr. S. Sarveswar Reddy, M/s. S.S. Reddy & Associates (Practicing Company Secretaries, Hyderabad) was appointed as Scrutinizer for the above Postal Ballot and the Results and Voting Pattern were declared as per the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and displayed on Company's website (<http://www.drhlsl.com/wp-content/uploads/2017/12/PB-OutcomeLODR-Scrutinizer-22DEC17.pdf>)

c. Passing of Special Resolutions through Postal Ballot during the year 2017-18:

There is no such proposal as of now. In case, any resolution needs to be passed through Postal Ballot during the year 2017-18, the procedure laid down under Section 110 of the Companies Act, 2013 and the Rules made thereunder will be complied.

5) MEANS OF COMMUNICATION

I. FINANCIAL RESULTS

The Company's Financial Results (Quarterly, Half-Yearly and Yearly) are sent to the Stock Exchanges immediately after the Board approves the same and are published in English and Regional Language Newspapers and displayed on the website of the company at <http://www.drhlsl.com/investor/financials/>

II. NEWS RELEASES, PRESENTATIONS, AMONG OTHERS

As the Financial Performance of the Company is well published, hence, individual communication of Half Yearly Results are not sent to the Shareholders. There are NIL News Releases, Presentations made by the Company.

III. PRESENTATIONS TO INSTITUTIONAL INVESTORS / ANALYSTS

Not Applicable

IV. WEBSITE

The Company's website (www.drhlsl.com) contains a separate dedicated section 'Investors' where shareholder's information is available. All the information as specified under Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are uploaded under Investor section of the website.

V. DEDICATED E – MAIL ID

In terms of SEBI (LODR) Regulations, 2015 the company has designated e-mail exclusively for investor service: investorrelations@drhlsl.com and pcproductsindia@gmail.com

6) GENERAL SHAREHOLDER INFORMATION

I. DATE, TIME AND VENUE OF THE ANNUAL GENERAL MEETING

Date : Friday, 28th September, 2018

Time : 10.30 AM

Venue : Registered Office of the Company i.e., 2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajendra Nagar Mandal, Hyderabad – 500048, Telangana State, India.

Book Closure Date : Saturday, 22nd September, 2018 to Friday, 28th September, 2018 (Both days inclusive) for the purpose of 22nd AGM.

II. PARTICULARS OF FINANCIAL CALENDAR

Financial year : April 1 to March 31

III. DIVIDEND PAYMENT DATE

No Dividend declared for the Financial Year 2017-18.

Financial Year Calendar 2018-19 (Tentative Schedule)

1st Quarter	-	On or before 14th August, 2018
2nd Quarter	-	On or before 14th November, 2018
3rd Quarter	-	On or before 14th February, 2019
4th Quarter & year ended	-	On or before 30th May, 2019
AGM for year ending 31st Mar. 2019	-	On or before 30th September 2019

IV. NAME AND ADDRESS OF STOCK EXCHANGES WHERE THE COMPANY'S SHARES ARE LISTED AND CONFIRMATION OF PAYMENT OF ANNUAL LISTING FEES

Equity Shares	Stock Code
BSE Limited P.J. Towers, 25th Floor, Dalal Street, Fort, Mumbai – 400 001	539267
Metropolitan Stock Exchange of India Limited Vibgyor Towers, 4th floor, Plot No C 62, Opp. Trident Hotel, BandraKurla Complex, Bandra (E), Mumbai – 400 098	DRHABEEB
Ahmedabad Stock Exchange Limited Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad – 380 015	28101

The Listing Fees have been paid for the Financial Year 2017-18 and 2018-19 by the Company.

V. MARKET PRICE DATA

The monthly high and low prices recorded in BSE during the Financial Year 2017-18 is as under:

Month	High Price	Low Price	No. Of Shares
Apr-17	16.71	14.45	44
Jun-17	18.35	17.50	7
Jul-17	19.70	19.25	495
Aug-17	19.70	19.70	22
Sep-17	19.70	19.70	55201
Oct -17	33.65	20.65	939
Nov-17	33.65	33.65	9
Dec-17	33.65	33.65	10
Jan-18	42.80	35.30	49
Feb-18	46.05	40.70	1138
Mar-18	46.05	46.05	1

VI. SUSPENSION OF SECURITIES FROM TRADING BY DIRECTORS: Not Applicable**VII. REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS**

Venture Capital and Corporate Investments Private Ltd
 Address: 12-10-167, Bharat Nagar, Hyderabad – 500 018 Telangana State, India
 Ph No. 040-23818475, 23818476
 Email: info@vccilindia.com
 Website: www.vccipl.com

VIII. SHARE TRANSFER SYSTEM

The Registrar and Share Transfer Agents of the Company viz. Venture Capital and Corporate Investments Private Limited handle share transfer in compliance of SEBI requirement after due approval by Board/Share Transfer Committee. Share Transfers are entertained, both under Demat Form and Physical Form and generally takes 1-2 weeks. Also the company has made arrangements for simultaneous dematerialization of share certificates lodged for transfer, subject to the regulations specified by SEBI in this regard.

IX. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018

SL. NO.	Nominal Value	Holders	Holders %	No. of Shares	Amount	Amount %
1	Upto - 5000	504	86.75	63226	632260	0.54
2	5001 - 10000	6	1.03	4563	45630	0.04
3	10001 - 20000	5	0.86	7168	71680	0.06
4	20001 - 30000	1	0.17	2711	27110	0.02
5	30001 - 40000	2	0.34	8000	80000	0.07
6	40001 - 50000	8	1.38	39202	392020	0.33
7	50001 - 100000	8	1.38	71804	718040	0.61
8	100001 and above	47	8.09	11562032	115620320	98.33
	TOTAL	581	100.00	11758706	117587060	100.00

X. DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31ST MARCH, 2018

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE579N01018.

NATIONAL SECURITIES DEPOSITORY LIMITED	CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	25th Floor, A Wing, Marathon Futurex, Mafatlal Mills Compound, NM Joshi Marg, Lower Parel (E), Mumbai - 400013

Mode	No. of shares	% of total paid up
CDSL	4018453	34.17
NSDL	7077953	60.19
Physical	662300	5.63
	11758706	100.00

Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. The Shares of the Company are actively traded in BSE Limited. Hence have good liquidity.

XI. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

A) The Company has issued 37,50,000 Convertible Equity Share Warrants to the following:

1. Promoters –

Dr. Mohammed Aejaz Habeeb	5,00,000	Allotted Warrants on 24/01/2018	Not yet converted into Equity Shares
Dr. Syed Ameer Basha Paspala	5,00,000	Allotted Warrants on 24/01/2018	Not yet converted into Equity Shares

2. Non-Promoters –

No. of Warrants Issued and Allotted	27,50,000	17/11/2017
No. of Warrants Converted into Equity Shares – 1st Trench	7,00,000	24/01/2018
No. of Warrants Converted into Equity Shares – 2nd Trench	4,55,000	04/05/2018
No. of Warrants Pending for Conversion into Equity Shares	15,95,000	--

B) No GDR / ADR / Other Convertible Instruments issued by the Company

XII. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

XIII. ADDRESS FOR CORRESPONDENCE

DR HABEEBULLAH LIFE SCIENCES LIMITED
Address: 2-5-26/CLRD/1, Survey No. 36, Chintalmet X Roads,
Upperpally, Rajender Nagar Mandal, Hyderabad, 500048, Telangana State, India
Contact: +91 9030057370, 040 2970 3333
E-mail: investorrelations@drhsl.com and pcproductsindia@gmail.com

XIV. CATEGORY OF EQUITY SHAREHOLDERS AS ON 31ST MARCH, 2018.

CATEGORY	NO. OF SHARES HELD	% OF SHAREHOLDING
PROMOTER & PROMOTER GROUP		
Individuals	7629030	64.88
TOTAL A	7629030	64.88
PUBLIC		
Individuals	3329673	28.31
Clearing Members	1	0.00
Bodies Corporate	2	0.00
Foreign Nationals	800000	6.08
TOTAL B	4129676	35.12
NON PROMOTER – NON PUBLIC (C)	0	0.00
TOTAL (A+B+C)	11758706	100.00

Promoters & Promoter Group

S.NO.	NAME	NO. OF SHARES HELD	% OF PAID UP CAPITAL
1	K. KRISHNAM RAJU	2899630	24.66
2	MOHAMMED AEJAZ HABEEB	1279124	10.88
3	SYED AMEER BASHA PASPALA	1161800	9.88
4	K. SARADA VIJAYA KUMARI	865690	7.36
5	K. NIRUSHA	1029200	8.75
6	P. PARVATHI	393586	3.35
	TOTAL	7629030	64.88

Public - Holding more than 1% of Paid Up Capital

S.NO.	NAME	NO. OF SHARES HELD	% OF PAID UP CAPITAL
1	ARUN KUMAR BHANGADIA	776800	6.61
2	RUDRARAJU SRINIVAS KUMAR	269350	2.29
3	MORRAMREDDY SRINIVAS CHAITANYA	361000	3.07
4	NIKITHA KORUPOLU	300000	2.55
5	KALIDINDI RAJESWARI	164300	1.40
	TOTAL	1871450	15.92

7) OTHER DISCLOSURES**I. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

During the year under review, the Company had not entered in to any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large.

All the other Related Party Transactions held were duly approved by the Audit Committee, Board and Shareholders of the Company, wherever applicable.

Transactions with the Related Parties as required under Accounting Standard-18 are disclosed as Notes to the Standalone Financial Statements forming part of this Annual Report.

II. COMPLIANCES:

Except the SEBI Adjudication Order as explained in the Board's Report, there are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

III. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

(Set up in terms of Sec 177 of the Companies Act, 2013 read with Regulation 22 of SEBI LODR Regulations, 2015)

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report.

Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

IV. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

All mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been appropriately complied with and the status of non-mandatory requirements is given below:

- The Chairman of the Company is an Executive Chairman and hence the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.
- The financial Statements are free from any Audit Qualifications.
- At present, other non-mandatory requirements have not been adopted by the Company.

V. WEB LINKS

Policy for determining material subsidiaries - <http://www.drhlsl.com/wp-content/uploads/2018/06/Policy-for-determining-Material-Subsidiaries.pdf>

Policy on dealing with related party transactions - <http://www.drhlsl.com/wp-content/uploads/2018/06/Policy-on-Related-Party-Transactions.pdf>

VI. NON COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

The Company has complied with all the requirements relating to the Corporate Governance Regulation as per SEBI (LODR) Regulations, 2015.

VII. MATERIAL SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian subsidiary company and hence, the requirement of inducting an Independent Director on the Board of Directors of the subsidiary company in terms of regulation 24(1) of the Listing Regulations does not arise.

VIII. DISCLOSURE OF COMPLIANCES WITH CORPOARTE GOVERNANCE:

The Compliance Status w.r.t. to the Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of SEBI (LODR) Regulations, 2015 is as follows:

Regulation	Particular of Regulations	Compliance Status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Not Applicable
22	Vigil Mechanism	Yes
23	Related party Transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

ANNEXURE IX**WTD and CFO CERTIFICATION**

(Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

To

**The Board of Directors
DR HABEEBULLAH LIFE SCIENCES LIMITED**

We, K. Krishnam Raju, Whole-time Director and K. Nirusha, Chief Financial Officer of the Company, to the best of our knowledge and information, and on behalf of the Company certify that:

- a. We have reviewed financial statements and the Cash flow Statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the quarter which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which We are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. During the year under reference -
 - (i) there were no significant changes in the internal control over financial reporting;
 - (ii) no significant changes in accounting policies were made; and

no instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Place : Hyderabad
Date : 27th Aug, 2018

Sd/-
K. KrishnamRaju
Whole-time Director
(DIN 00874650)

Sd/-
K. Nirusha
Chief Financial Officer

ANNEXURE X**DECLARATION OF CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT**
(Pursuant to Regulation 26(3) & Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

This is to confirm that the Company has adopted Code of Conduct for the Board of Directors and the Senior Management of the Company, which is available on the Company's website <http://www.drhlsl.com/wp-content/uploads/2018/06/Code-of-Conduct-BOD-Senior-Mgmt.pdf>

I, hereby declare that the Board of Directors and the Senior Management Personnel of the Company have affirmed their compliance with the "Code of Conduct for Board of Directors and Senior Management of DR HABEEBULLAH LIFE SCIENCES LIMITED.

For and on Behalf of the Board of Directors

Sd/-
K. Krishnam Raju
Executive Chairman (DIN 00874650)

Place : Hyderabad
Date : 27th Aug, 2018

ANNEXURE XI**CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of
DR HABEEBULLAH LIFE SCIENCES LIMITED**

I have examined the compliance of conditions of Corporate Governance by **DR HABEEBULLAH LIFE SCIENCES LIMITED** (the Company), for the year ended 31st March, 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and the SEBI Regulations, as applicable.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.S. Reddy & Associates

Sd/-
S. Sarveswar Reddy
Practicing Company Secretary
C.P. No. 7478

Place : Hyderabad
Date : 27th Aug, 2018

Independent Auditors' Report

To
The Members,
DR HABEEBULLAH LIFE SCIENCES LIMITED

Report on the Standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of DR HABEEBULLAH LIFE SCIENCES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (Including other comprehensive income), the Statement of cash flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as 'Standalone Ind AS financial statements').

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, ~~and~~ cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the standalone Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 section 143(11) of the Act, we give in the Annexure –A a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 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, the statement of Cash flows and the changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, relevant rules issued there under.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 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 N.M. Khatavkar & Co.,
Chartered Accountants
Firm Regd No. 007939S**

**Sd/-
N M Khatavkar
Membership No. 206569**

**Place: Hyderabad
Date: 30.05.2018**

Annexure – A to the Independent Auditors' Report:

The Annexure referred to the Independent auditors' report to the members of the company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) A major portion of fixed assets have been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us, the company does not have any immovable property hence paragraph 3 (i)(c) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- ii. The inventory has been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification and have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal.
- vi. In our opinion and according to the information and explanations given to us, maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to 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 is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, GST and any other statutory dues to the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2018 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 the records of the company examined by us, there are no dues of Income Tax or GST or Sales Tax or Service Tax or duty of customs or duty of excise or value added tax or cess as at 31st March, 2018 which have not been deposited on account of a dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- ix. The Company has not raised 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 Companies (Auditor's Report) Order, 2016 is not applicable.
- x. 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.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- xii. 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 Companies (Auditor's Report) Order, 2016 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 give to us and based on our examination of the records of the Company, the Company has made any preferential allotment of equity share of 8,00,000 to non- promoters and 37,50,000 Convertible warrants to promoters and non-promoters. Out of 37,50,000 convertible warrants 7,00,000 Warrants converted in to equal number equity shares of the company. The requirement of Section 42 and all the other applicable provisions of the Companies Act, 2013 and SEBI Regulations were complied with.
- xv. 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 Companies (Auditor's Report) Order, 2016 is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For N.M. Khatavkar & Co.,
Chartered Accountants
Firm Regd No. 007939S**

**Sd/-
N. M. Khatavkar
Membership No. 206569**

**Place: Hyderabad
Date: 30.05.2018**

Annexure - B to the Independent Auditors' 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 DR HABEEBULLAH LIFE SCIENCES LIMITED ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 31st March 2018, 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 N.M. Khatavkar & Co.,
Chartered Accountants
Firm Regd No. 007939S**

**Sd/-
N. M. Khatavkar
Membership No. 206569**

**Place: Hyderabad
Date: 30.05.2018**

BALANCE SHEET AS AT 31st MARCH 2018

(Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
I	ASSETS:				
(1)	Non-current assets				
	(a) Property, Plant and Equipment	2	198,505	-	-
	(b) Capital work-in-progress		-	-	-
	(c) Goodwill		-	-	-
	(d) Other Intangible Assets		-	-	-
	(e) Intangible Assets under development		9,165,861	-	-
	(f) Financial assets				
	(i) Investments	3	48,706,060	48,706,060	-
	(ii) Other Financial Assets	4	23,525,000	3,000,000	4,000,000
	(g) Deferred tax assets (net)		-	-	-
	(h) Other non-current assets		-	-	-
(2)	Current assets				
	(a) Inventories	5	952,009	-	-
	(b) Financial assets				
	(i) Investments		-	-	-
	(ii) Trade receivables	6	28,740,086	32,745,472	50,375,228
	(iii) Cash and cash equivalents	7	3,323,237	217,286	820,038
	(iv) Bank Balances other than (iii) above		-	-	-
	(v) Loans and advances	8	7,000,000	-	-
	(vi) Investments held for Sale		-	-	-
	(c) Other current assets	9	660,323	222,961	254,409
	TOTAL ASSETS		122,271,081	84,891,780	55,449,675
II	EQUITY AND LIABILITIES:				
	Equity				
	(a) Equity Share Capital	10	117,587,060	102,587,060	53,881,000
	(b) Other Equity				
	(i) Share Warrants	11(a)	15,250,000	-	-
	(ii) Reserves and Surplus	11(b)	(14,222,526)	(19,007,122)	(15,810,011)
	Liabilities				
(1)	Non Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings		-	-	-
	(b) Provisions	12	625,274	-	-
(2)	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings		-	-	-
	(ii) Trade Payables	13	620,752	433,215	17,250,770
	(iii) Other financial liabilities		-	-	-
	(b) Other current liabilities	14	2,410,521	878,627	100,394
	(c) Provisions		-	-	-
	(d) Current tax liabilities(Net)		-	-	27,522
	TOTAL EQUITY AND LIABILITIES		122,271,081	84,891,780	55,449,675
	Significant accounting policies and notes to accounts	1 to 21			

As per our report of even date
For N.M. Khatavkar & Co.,
Chartered Accountants
Firm Registration No.007939S

Sd/-
N. M. Khatavkar
Membership No. 206569

Place: Hyderabad
Date : 30-05-2018

For and on behalf of the Board
For DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-
K.Krishnam Raju
Whole-time Director & Chairman
DIN: 00874650

Sd/-
K. Nirusha
Chief Financial Officer

Sd/-
Dr. T.V. Ramakrishna Murthy
Director
DIN: 007688759

Sd/-
Pooja Jain
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018

(Amount in Rs.)

	PARTICULARS	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
I	Revenue from operations	15	6,167,239	12,808,464
II	Other Income	16	-	135,122
III	Total Income (I+II)		6,167,239	12,943,586
IV	Expenses:			
	Cost of raw material and components consumed	17	640,779	12,429,826.20
	Employee Benefits Expenses	18	8,742,021	1,770,000
	Depreciation and amortization expenses	2	22,521	-
	Other expenses	19	6,977,322	1,940,871
	Total Expenses		16,382,643	16,140,697
V	Profit before tax (III-IV)		(10,215,404)	(3,197,111)
VI	Tax Expenses			
	- Current tax		-	-
	- Deferred tax		-	-
VII	Profit for the period (V-VI)		(10,215,404)	(3,197,111)
VIII	Other Comprehensive Income (OCI)			
	i) Items that will not be reclassified to profit & loss		-	-
	ii) Income tax relating to items that will not be reclassified to profit & loss		-	-
	Other comprehensive income for the year (net of tax)		-	-
IX	Total Comprehensive Income (VII+VIII)		(10,215,404)	(3,197,111)
X	Earnings per equity share: (Equity shares of par value of Rs.10/- each)			
	- Basic	20	(0.96)	(0.42)
	- Diluted	20	(0.74)	(0.42)
	Significant accounting policies and notes to accounts	1 to 21		

As per our report of even date
For N.M. Khatavkar & Co.,
Chartered Accountants
Firm Registration No.007939S

Sd/-
N. M. Khatavkar
Membership No. 206569

Place: Hyderabad
Date : 30-05-2018

For and on behalf of the Board
For DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-
K.Krishnam Raju
Whole-time Director & Chairman
DIN: 00874650

Sd/-
K. Nirusha
Chief Financial Officer

Sd/-
Dr. T.V. Ramakrishna Murthy
Director
DIN: 007688759

Sd/-
Pooja Jain
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	Year ended 31-03-2018 Amount in Rs.	Year ended 31-03-2017 Amount in Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax	(10,215,404)	(3,197,111)
Adjustment for:		
Depreciation and Amortisation	22,521	-
Interest Expenses	-	-
Interest Earned	-	-
Cash Flows from Operations before changes in assets and liabilities	(10,192,883)	(3,197,111)
Movements in Working Capital::		
(Increase)/ Decrease in trade receivables	4,005,386	17,629,755
(Increase) / Decrease in Short Term Loans and Advances	(7,000,000)	-
(Increase)/Decrease in other Current Assets	(437,362)	31,448
(Increase) / Decrease in Inventories	(952,009)	-
(Increase) / Decrease in Trade Payables	187,537	(16,817,555)
Increase/(Decrease) in Other current liabilities	1,531,894	778,233
Change in Working Capital	(2,664,554)	1,621,882
Changes in non current assets and liabilities		
Decrease/(Increase) in loans & advances	(20,525,000)	1,000,000
Decrease/(Increase) in Long Term Provisions	625,274	-
Changes in non current assets and liabilities	(19,899,726)	1,000,000
Cash Generated From Operations	(32,757,163)	(575,229)
Less: Taxes paid	-	27,522
Net Cash from operating activities(A)	(32,757,163)	(602,751)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Fixed assets and Capital Work In progress	(9,386,887)	-
Bank Balances not considered as Cash and Cash equivalents	-	-
Investment in equity Shares	-	(48,706,060)
Net cash used in Investing activities (B)	(9,386,887)	(48,706,060)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Share Capital	45,250,000	48,706,060
Increase / (Decrease) in Borrowings	-	-
Interest paid	-	-
Net cash Flow from Financing Activities (C)	45,250,000	48,706,060
Net Increase/(Decrease) in cash & cash equivalents [A+B+C]	3,105,950	(602,751)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	217,287	820,038
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	3,323,237	217,287

As per our report of even date
For N.M. Khatavkar & Co.,
Chartered Accountants
Firm Registration No.007939S

Sd/-
N. M. Khatavkar
Membership No. 206569

Place: Hyderabad
Date : 30-05-2018

For and on behalf of the Board
For DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-
K.Krishnam Raju
Whole-time Director & Chairman
DIN: 00874650

Sd/-
K. Nirusha
Chief Financial Officer

Sd/-
Dr. T.V. Ramakrishna Murthy
Director
DIN: 007688759

Sd/-
Pooja Jain
Company Secretary

a. Equity share capital

(Amount in Rs.)

PARTICULARS	Amount
Balance as at the 1 April 2016	53,881,000
Changes in equity share capital during 2016-17	48,706,060
Balance as at the 31 March 2017	102,587,060
Changes in equity share capital during 2017-18	15,000,000
Balance as at the 31 March 2018	117,587,060

b. Other equity

(Amount in Rs.)

	Share Warrants	Reserves and surplus		Items of Other comprehensive income (OCI)	Total
		Securities Premium Reserve	Retained earnings	Others	
Balance at 1 April 2016	-	-	(15,810,011)	-	(15,810,011)
Total comprehensive income for the year ended 31 March 2017					
Profit or loss			(3,197,111)	-	(3,197,111)
Other comprehensive income(net of tax)			-	-	-
Total comprehensive income		-	(3,197,111)	-	(3,197,111)
Transactions with owners in their capacity as owners directly in equity	-	-	-	-	-
Balance at 31 March 2017	-	-	(19,007,122)	-	(19,007,122)
Total comprehensive income for the year ended 31 March 2018					
Profit or loss		-	(10,215,404)	-	(10,215,404)
Other comprehensive income(net of tax)		-	-	-	-
Total comprehensive income		-	(10,215,404)	-	(10,215,404)
Transactions with owners in their capacity as owners	15,250,000	15,000,000	-	-	30,250,000
Balance at 31 March 2018	15,250,000	15,000,000	(29,222,525)	-	1,027,475

1. Significant Accounting Policies & Notes annexed to and forming part of the financial Statements

1.1. Basis for preparation of financial statements:

a) Compliance with Indian Accounting Standards (Ind As)

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind As) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013. Up to the year ended March 31, 2017, the Company prepared financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

These are the Company's first Ind As financial statements. The date of transition to Ind As is April 1, 2016.

b) First time adoption

In accordance with Ind As 101 on First- time adoption of Indian Accounting Standards, the Company has prepared its first Ind As financial statements which include:

(i) Three Balance sheets namely, the opening Balance Sheet as at 1st April, 2016

(The transition date) by recognizing all assets and liabilities whose recognition is required by Ind As, not recognizing assets or liabilities which are not permitted by Ind As, by reclassifying assets and liabilities from previous GAAP as required by Ind As and applying Ind As in measurement of recognized assets and liabilities; and Balance Sheets as at March 31, 2018 and 2017; and

(ii) Two Statements each of profit and loss; cash flows and changes in equity for the years ended March 31, 2018 and 2017 together with related notes.

The same accounting policies have been applied for all the periods presented except when the company has made use of certain exceptions.

The financial statements have been prepared on the historical cost basis except for certain instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III of the Act. The Company has determined its operating cycle as twelve months for the purpose of current-noncurrent classification of assets and liabilities.

The financial statements are presented in Indian Rupees which is also its functional currency. All amounts have been rounded – off to the nearest rupees, unless otherwise indicated.

c) Use of estimates and judgment

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of certain assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

1.2. Property, Plant and Equipment & Depreciation

Items of Property, Plant and Equipment are stated at cost less accumulated depreciation.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Depreciation on the fixed assets has been provided based on useful lives as prescribed under part C of the schedule II of the companies act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Transition to Ind AS: The Company doesn't have fixed assets as at 1st April 2016.

1.3 Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

1.4 Intangible assets

Intangible assets are amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as change in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in profit or loss.

1.5 Inventory

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

Stores and consumables are valued at cost arrived at on FIFO basis or net realisable value, whichever is lower

1.6 Foreign currencies transactions and translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

1.7 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (other than employee benefits) are not discounted to its 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.

1.8 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Interest Income

Interest income from a financial asset is recognised using effective interest rate method. However, in respect of certain financial assets where it is not probable that the economic benefits associated with the transaction will flow to the entity and amount of revenue cannot be measured reliably, in such cases interest income is not recognised.

1.9 Dividend Income

Dividends will be recognised when the company's right to receive has been established

1.10 Employee benefits

1.10.1 Short term employee benefits

The undiscounted amount of short term employee benefits are expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

1.10.2 Defined benefit plans

a) Gratuity

In accordance with the Payment of Gratuity Act, 1972, Company provides for gratuity, a defined retirement plan (the "Gratuity Plan") covering the eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee salary and the tenure of employment. Liability with regard to the Gratuity Plan are determined by actuarial valuation as per the requirements of IndAS 19 as of the balance sheet date, based upon which, the Company contributes the ascertained liabilities to Insurer.

b) Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Regional Provident Fund Commissioner equal to a specified percentage of the covered employee's salary.

c) Employee State Insurance Fund

Eligible employees (whose gross salary is less than 21,000 per month) are entitled to receive benefit under employee state insurance fund scheme. The employer makes contribution to the scheme at a predetermined rate (presently 4.75%) of employee's gross salary. The Company has no further obligations under the plan beyond its monthly contributions. These contributions are made to the fund administered and managed by the Government of India. Monthly contributions are charges to income in the year it is incurred.

d) Leave encashment

All the employees who have completed their eligible service in the Company are eligible for leave encashment as per policy of the Company and the same is paid to the eligible employee at retirement, death, incapacitation or termination of employment. This amount, as calculated for all the eligible employees, is charged to income and taken as provision in the financial statements.

1.11 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

1.12 Leases

Leases are classified as finance lease whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.

1.13 Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest method.

1.14 Earnings per equity share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owner of the company.
- By the weighted number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

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

1.15 Financial Instruments

i. Financial assets

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

a) Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through profit or loss (FVTPL)

A Financial asset which is not classified as AC or FVOCI are measured at FVTPL e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

c) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose Objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B. Investments in subsidiaries

The Company has accounted for its investments in subsidiaries at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

ii. Financial Liabilities

A. Initial recognition

All financial liabilities are recognized at fair value.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.16 First time adoption of Ind As**Transition to Ind As**

The Company has adopted Ind As with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening reserves as at 1st April, 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind As and Schedule III.

1.17. Auditors remuneration:

PARTICULARS	2017-18 (Rupees)	2016-17 (Rupees)
Audit Fee	40,000	30,000
Total	40,000	30,000

1.18. The Board of Directors assesses the financial performance of the Company and make strategic decisions and has been identified as being the Chief Operating Decision Maker (CODM). Based on the internal reporting provided to the CODM, the Company has only one reportable segment i.e. 'healthcare services which includes hospital, diagnostics, Pharma and Bio technology (R&D)' and hence no separate disclosures are required under Ind AS 108.

1.19. Earnings per share (EPS):

The details of number of Equity shares used in calculating Basic and Diluted earnings per share are set out below:

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Weighted average Equity shares for computing Basic EPS	1,06,78,980	76,29,913
Dilutive impact of Share Warrants	30,50,000	-
Weighted average Equity shares for computing Diluted EPS	1,37,28,979.97	76,29,913.17

1.20 The Company has not received any information from any of the supplier of their being Micro, Small and medium enterprises. Hence, the amounts due to Micro, Small and Medium enterprises outstanding as on 31-03-2018 was Rs. Nil

1.21. The Company has received confirmation letters from all the major parties of trade payable and trade receivables.

1.22. (a) Financial assets

Financial Assets Valuation	Year ended 31-03-2018	Year ended 31-03-2017	Year ended 31-03-2016
Non-Current Investments			
Investment in equity instruments of subsidiaries (cost) Unquoted Krisani Biosciences Pvt Ltd (5868200 equity shares of Rs 10 each subscribed at Rs. 8.3 per Share)	4,87,06,060	4,87,06,060	-
Total Investment in subsidiaries	4,87,06,060	4,87,06,060	-
Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Other Financial Assets (Non-Current)			
Security Deposits at (at amortised cost)	2,35,25,000	30,00,000	40,00,000
Total non-current Financial assets	7,22,31,060	5,17,06,060	40,00,000

b. Financial Risk Management

In course of its business, the company is exposed to certain financial risk such as market risk (Including currency risk and other price risks), credit risk and liquidity risk that could have significant influence on the company's business and operational/financial performance. The Board of directors reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

c. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults.

The company makes an allowance for doubtful debts/advances using expected credit loss model.

d. Liquidity risk

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as pre requirements. The Company's exposure to liquidity risk is minimal.

1.23. First Time Ind As adoption Reconciliations

Effect of Ind As adoption on the balance sheet as at 31st March, 2017 and 1st April, 2016:

Assets & Liabilities	As at 31 st March, 2017			As at 1 st April, 2016		
	Previous GAAP	Effect of transition to Ind As	As per Ind As Balance sheet	Previous GAAP	Effect of transition to Ind As	As per Ind As Balance sheet
Non Current assets						
(a) Property, plant & equipment	-	-	-	-	-	-
(b) Intangible assets under development	-	-	-	-	-	-
(c) Financial assets						
Investments	4,87,06,060	-	4,87,06,060	-	-	-
Other Financial Assets	30,00,000	-	30,00,000	40,00,000	-	40,00,000
(d) Deferred tax assets	-	-	-	-	-	-
Current assets						
(a) Inventories	-	-	-	-	-	-
(b) Financial assets						
(i) Trade receivables	3,27,45,472	-	3,27,45,472	5,03,75,228	-	5,03,75,228
(i) Cash and cash equivalents	2,17,286	-	2,17,286	8,20,038	-	8,20,038
(c) Other current assets	2,22,961	-	2,22,961	2,54,409	-	2,54,409
TOTAL ASSETS	8,48,91,779	-	8,48,91,779	5,54,49,675	-	5,54,49,675
EQUITY AND LIABILITIES						
EQUITY						
(a) Equity share capital	10,25,87,060	-	10,25,87,060	5,38,81,000	-	5,38,81,000
(b) Other Equity	(1,90,07,122)	-	(1,90,07,122)	(1,58,10,011)	-	(1,58,10,011)
LIABILITIES						
Non Current Liabilities						
Provisions	-	-	-	-	-	-
Current Liabilities						
(a) Financial Liabilities						
(i) Trade Payables	4,33,215	-	4,33,215	1,72,50,770	-	1,72,50,770
(b) Other current liabilities	8,78,627	-	8,78,627	1,00,394	-	1,00,394
(c) Provisions	-	-	-	-	-	-
(d) Current tax liabilities (Net)	-	-	-	27,522	-	27,522
TOTAL EQUITY AND LIABILITIES	8,48,91,780	-	8,48,91,780	5,54,49,675	-	5,54,49,675

Reconciliation of profit and other equity between Ind As and Indian GAAP:

Particulars	Net Profit Year ended 31st March, 2017	Other Equity	
		As at 31st March, 2017	As at 1st April, 2016
Net Profit/Other equity as per Indian GAAP	(31,97,111)	(1,90,07,122)	(1,58,10,011)
Add/Less: Adjustments	-	-	-
Net Profit before OCI/Other equity as per Ind As	(31,97,111)	(1,90,07,122)	(1,58,10,011)

Effect of Ind as adoption on the Statement of Profit and loss:

Particulars	Year ended 31st March,2017		
	Previous GAAP	Effect of transition to Ind As	As per Ind As
I. Revenue from operations	1,28,08,464	-	1,28,08,464
II. Other Income	1,35,122	-	1,35,122
III. Total Income (I+II)	1,29,43,585	-	1,29,43,585
EXPENSES	1,24,29,826		1,24,29,826
Cost of raw material and components consumed	17,70,000	-	17,70,000
Employee benefit expense	-	-	-
Depreciation and amortization Expense	19,40,871	-	19,40,871
Other expenses	1,61,40,697	-	1,61,40,697
Total expenses (IV)	(31,97,111)	-	(31,97,111)
Profit/(loss) before tax (III-IV)			
Tax expense:			
(1) Current tax	-	-	-
(2) Deferred tax	-	-	-
Net profit for the period	(31,97,111)	-	(31,97,111)

NOTE NO. 2: PROPERTY, PLANT AND EQUIPMENT:

(Amount in Rs.)

	Computers	Furniture and Fixtures	Lab Equipments	Office Equipment	Total
Deemed cost (gross carrying amount)					
Balance at 1 April 2016	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31 March 2017	-	-	-	-	-
Additions	74,576	-	126,650	19,800	221,026
Disposals	-	-	-	-	-
Balance at 31 March 2018	74,576	-	126,650	19,800	221,026
Accumulated depreciation at 1 April 2016	-	-	-	-	-
Depreciation for the year	-	-	-	-	-
Balance at 31 March 2017	-	-	-	-	-
Depreciation for the year	5,682	-	152	16,687	22,521
Balance at 31 March 2018	5,682	-	152	16,687	22,521
Carrying amounts(net)					
At 1 April 2016	-	-	-	-	-
At 31 March 2017	-	-	-	-	-
At 31 March 2018	68,894	-	126,498	3,113	198,505

Notes to accounts

NOTE NO: 3 NON CURRENT INVESTMENTS:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Investment In Subsidiary Company carried at Cost			
Krisani Biosciences Pvt Ltd (5868200 equity shares of Rs 10 each subscribed at Rs. 8.3 per Share)	48,706,060	48,706,060	-
	48,706,060	48,706,060	-

NOTE NO: 4 OTHER NON-CURRENT FINANCIAL ASSETS

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Security Deposits	23,525,000	3,000,000	4,000,000
	23,525,000	3,000,000	4,000,000

NOTE NO: 5 INVENTORIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Stores and consumables	952,009	-	-
	952,009	-	-

NOTE NO: 6 TRADE RECEIVABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	28,399,089	32,299,089	32,299,089
(b) Outstanding for a period not exceeding six months Unsecured, considered good	340,997	446,383	18,076,139
	28,740,086	32,745,472	50,375,228

Notes to accounts

NOTE NO: 7 CASH AND CASH EQUIVALENTS:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Balance with banks	3,197,983	204,286	477,193
(b) Cheques in Hand	-	-	-
(c) Cash on Hand	125,254	13,000	342,845
	3,323,237	217,286	820,038

NOTE NO: 8 LOANS & ADVANCES

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Inter Corporate Loans given to M/s Innovision Life Sciences Pvt. Ltd	7,000,000	-	-
	7,000,000	-	-

NOTE NO: 9 OTHER CURRENT ASSETS:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) GST Receivable	356,262	-	-
(b) MAT Credit Entitlement	206,409	206,409.00	206,409.00
(c) Advance Tax & TDS	16,552	16,552.00	48,000.00
(d) Supplier advances	81,100	-	-
	660,323	222,961	254,409

Notes to accounts

NOTE NO: 10: EQUITY SHARE CAPITAL

PARTICULARS	As At March 31,2018		As At March 31,2017		As At April 1st,2016	
	Number	Amount in Rs.	Number	Amount in Rs.	Number	Amount in Rs.
Authorised Equity Shares of Rs. 10/- each	16,000,000	160,000,000	13,000,000	130,000,000	6,000,000	60,000,000
Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up (Refer foot note (a) to (d) below)	11,758,706	117,587,060	10,258,706	102,587,060	5,388,100	53,881,000
Total	11,758,706	117,587,060	10,258,706	102,587,060	5,388,100	53,881,000

Foot note:

(a) Reconciliation of the number of shares outstanding as at March 31, 2018, March 31, 2017 and April 1, 2016:

PARTICULARS	As At March 31,2018		As At March 31,2017		As At April 1st,2016	
	Number	Amount in Rs.	Number	Rs. In lakhs	Number	Rs. In lakhs
Equity Shares outstanding at the beginning of the year	10,258,706	102,587,060	5,388,100.00	53,881,000	5,388,100	53,881,000
Equity Shares Issued during the year for Cash	1,500,000	15,000,000	-	-	-	-
Equity Shares Issued during the year for other than cash*	-	-	4,870,606	48,706,060	-	-
Equity Shares bought back during year	-	-	-	-	-	-
Equity Shares outstanding at the end of the year	11,758,706	117,587,060	10,258,706	102,587,060	5,388,100	53,881,000

*48 70,606 shares of Rs. 10 each allotted as fully paid up pursuant to contract without payment being received in cash.

(b) Details of Shareholders holding more than 5 % shares:

PARTICULARS	As At March 31,2018		As At March 31,2017		As At April 1st,2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
1 K. KRISHNAM RAJU	2,899,630	24.66%	2,899,630	28.27%	-	0.00%
2 MOHAMMED AEJAZ HABEEB	1,279,124	10.88%	1,279,124	12.47%	-	0.00%
3 SYED AMEER BASHA PASPALA	1,161,800	9.88%	1,161,800	11.33%	-	0.00%
4 K. SARADA VIJAYA KUMARI	865,690	7.36%	865,690	8.44%	-	0.00%
5 K. NIRUSHA	1,029,200	8.75%	1,029,200	10.03%	-	0.00%
6 P. PARVATHI	393,586	3.35%	393,586	3.84%	-	0.00%
7 ARUN KUMAR BHANGADIA (PUBLIC)	776,800	6.61%	826,800	8.06%	2,926,800	54.32%

(c) Terms and rights attached to the equity shares:

The Company has only one class of equity shares having par value of Rs.10/- each. Each holder of equity shares is entitled for one vote per share. Distribution of dividends and repayment of capital, if any, by the company, shall be subject to the provisions of applicable laws.

Notes to accounts

NOTE NO: 11(a) SHARE WARRANTS

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Convertible Equity Share Warrants	15,250,000	-	-
During the financial year the company has allotted the 37,50,000 Convertible Equity Share Warrants on Preferential basis to Promoters and non- promoters up on receipt of 25% of the issue price. Issue price fixed at INR 20/- per equity share of Face Value of INR 10/- each at premium of INR 10/-. Out of 37,50,000 Share warrants 7,00,000 Share Warrants converted in to equity shares upon receipt of balance amount.			
	15,250,000	-	-

NOTE NO: 11(b) RESERVES AND SURPLUS

PARTICULARS	As at March 31, 2018	As at March 31, 2017 "	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Securities Premium:	15,000,000	-	-
(b) Retained earnings:			
Opening balance	(19,007,122)	(15,810,011)	(15,954,445)
(+) Net profit during the year	(10,215,404)	(3,197,111)	144,434
Closing balance	(29,222,526)	(19,007,122)	(15,810,011)
(c) Other Comprehensive income:	-	-	-
Total (a+b+c)	(14,222,526)	(19,007,122)	(15,810,011)

NOTE NO: 12 LONG TERM PROVISIONS:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Provision for employee Gratuity	310,044	-	-
Provision for Leave Encashment	315,230	-	-
	625,274	-	-

Notes to accounts

NOTE NO: 13 TRADE PAYABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Dues to Micro, Small and Medium Enterprises			
Dues to others	620,752	433,215	17,250,770
	620,752	433,215	17,250,770

NOTE NO: 14 OTHER CURRENT LIABILITIES:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Statutory Liabilities	677,152	371,627	9,919
(b) Expenses Payable	607,415	467,000	90,475
(c) Security deposits from customers	-	-	-
(d) Employee Benefits Payable	1,125,954	40,000	-
	2,410,521	878,627	100,394

NOTE NO: 15 REVENUE FROM OPERATIONS

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
Revenue from Operations		
Diagnostic Services	4,399,389	
OP Services	1,767,850	-
Trading business	-	12,808,464
	6,167,239	12,808,464

Notes to accounts

NOTE NO: 16 OTHER INCOME

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
Non Operating Income		
Finance Income on	-	
Deposits with bank	-	-
Others	-	135,122
	-	135,122

NOTE NO: 17 MATERIAL AND COMPONENTS CONSUMED

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
Inventory at the beginning of the year	-	-
Add: Purchases	1,592,788	12,429,826
Less: inventory at the end of the year	952,009	
Cost of raw material and components consumed	640,779	12,429,826

NOTE NO: 18 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
Director Remuneration	1,875,000	1,200,000
Salaries & Wages	5,808,832	570,000
Contribution to provident and other funds	321,727	-
Gratuity and Leave Encashment	625,274	-
Staff welfare expenses	111,188	-
	8,742,021	1,770,000

NOTE NO: 19 OTHER EXPENSES

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
Rent	693,000	70,000
Rates and Taxes	342,190	643,618
Professional & Consultancy Fee	2,923,507	152,108
Audit Fees	40,000	30,000
Business Promotion	50,861	-
Office Maintenance	151,685	-
Printing & Stationery	227,160	35,501
Communication Expenses	132,562	3,363
Travelling & Conveyance	140,290	3,400
Power & Fuel Expenses	120,411	-
Repairs & Maintenance	31,272	-
Postage & Courier	41,946	68,600
Bank Charges	28,506	4,360
Advertisement Expenses	69,845	108,421
Annual Custodian Fees	-	329,956
Listing Processing & Annual Listing Fees	945,950	332,350
Registrar & Transfer Fees	285,152	96,902
Board meeting expenses	-	61,000
Misc. Expenses	750	1,292
Directors Sitting Fees	180,000	-
Books & Periodicals	7,100	-
Fines & Penalties	400,000	-
Lab Maintenance Expenses	165,135	-
	6,977,322	1,940,871

Note No.20: Earnings Per Share (EPS)

	As at 31.03.2018	As at 31.03.2017
EPS – Basic		
Net Profit (Loss)	10,215,404	3,197,111
Appropriations	-	-
Net Profit (Loss) Attributable to Share Holders as at 31st March (Numerator)	10,215,404	3,197,111
No of Shares outstanding at the beginning of the year	10,258,706	5,388,100
No of Shares outstanding at the end of the year	11,758,706	10,258,706
Adjusted Weighted average number of equity shares of Face Value Rs.10 each (Denominator)	10,678,980	7,629,913
Nominal Value of Ordinary Shares	10	10
Computation of EPS - Basic (in Rs)	(0.96)	(0.42)
EPS – Diluted		
Net Profit (Loss) Attributable to Share Holders as at 31st March of Face Value Rs.10 each (Numerator)	(10,215,403.63)	(3,197,110.76)
Adjusted Weighted average number of equity shares	10,678,979.97	7,629,913.17
Weighted average number of equity shares that would be issued on conversion of all Shae Warrants into Equity shares	3,050,000.00	-
Total Weighted average number of equity shares for Diluted EPS (Denominator)	13,728,979.97	7,629,913.17
Nominal Value of Ordinary Shares	10.00	10.00
Computation of EPS - Diluted (in Rs)	(0.74)	(0.42)

21. Related Party Disclosures

As per Ind As 24 the disclosure of transactions with the related parties are given below

a) Related Parties and nature of relationship:

Mr.K.Krishnam Raju	Promoter & Whole-time Director & Chairman
Dr.Mohammed Aejaz Habeeb	Promoter & Non - Executive Director
Dr. Syed Ameer Basaha Paspala	Promoter & Non - Executive Director
Dr.A.Radha Rama Devi	Independent Non - Executive Director
Dr.Akka Jyothy	Independent Non - Executive Director
Dr.T.V.Rama Krishna Murthy	Independent Non - Executive Director
Ms.Pooja Jain	Company Secretary & Compliance Officer
Mrs.K.Nirusha	Chief Financial Officer & Promoter Group
Krisani Bio Sciences Pvt.Ltd	Subsidiary of Dr Habeebullah Life Sciences Ltd
Mrs.K.Sarada Vijaya Kumari	Promoter Group

The Promoters of DRHLSL are major Promoters and/or Shareholders / Partners of the below entities –

1. Innovision Life Sciences Pvt.Ltd – Company
2. Centre For Liver Research and Diagnostics – Partnership Firm

b) Transactions with Related parties:

Name of the related party	Nature of Transaction	Year ended 31-03-2018 (Rupees)	Year ended 31-03-2017 (Rupees)
K. Krishnam Raju	Remuneration	39,00,000	12,00,000
	Rent expenses	1,50,000	-
K.S.V.Kumari	Rent expenses	2,40,000	-
Dr.Mohammed Aejez Habeeb	Professional Fee	8,48,394	-
Dr.Syed Ameer Basha Paspala	Professional Fee	6,53,453	-
Ms.Pooja Jain	Remuneration	4,80,000	3,90,000
Mrs.K.Nirusha	Remuneration	6,87,500	-
Innovision Life Sciences Pvt. Ltd	Inter-Corporate Loan	70,00,000	-
Centre For Liver Research and Diagnostics	Lease Deposit	195,00,000	-
Krisani Bio Sciences Pvt. Ltd	Security Deposit	40,00,000	-

c) Related parties outstanding balances:

Name of the related party	Particulars	Year ended 31-03-2018 (Rupees)	Year ended 31-03-2017 (Rupees)
K. Krishnam Raju	Rent payable	22,500Cr	-
K.S.V.Kumari	Rent payable	36,000Cr	-
Dr.Mohammed Aejez Habeeb	Professional Fee Payable	1,29,604Cr	-
Dr.Syed Ameer Basha Paspala	Professional Fee Payable	1,31,665Cr	-

As per our report of even date
For N.M. Khatavkar & Co.,
Chartered Accountants
Firm Registration No.007939S

Sd/-
N. M. Khatavkar
Membership No. 206569

Place: Hyderabad
Date : 30-05-2018

For and on behalf of the Board
For DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-
K.Krishnam Raju
Whole-time Director & Chairman
DIN: 00874650

Sd/-
K. Nirusha
Chief Financial Officer

Sd/-
Dr. T.V. Ramakrishna Murthy
Director
DIN: 007688759

Sd/-
Pooja Jain
Company Secretary

Independent Auditors' Report

To
The Members,
DR HABEEBULLAH LIFE SCIENCES LIMITED

Report on the Consolidated Ind AS financial statements

We have audited the accompanying Consolidated Ind AS financial statements of DR HABEEBULLAH LIFE SCIENCES LIMITED ('the Holding Company'), and its subsidiaries (collectively referred to as "the Group") which comprise the consolidated Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "consolidated Ind AS financial statements")

Management's Responsibility for the Consolidated Ind AS 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 Consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, ~~and~~ cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 including the Consolidated Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial

performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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, the statement of Cash flows and the changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, relevant rules issued there under.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 A"; 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 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.

Other Matter

(a) The accompanying consolidated financial statements include total assets of Rs.15,94,55,632/- as at March 31, 2018, and total revenues and net cash inflows of Rs.2,81,400/- and Rs.89,170/- for the year ended on that date, in respect of 1 subsidiary, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

**For N.M. Khatavkar & Co.,
Chartered Accountants
Firm Regd No. 007939S**

**Sd/-
N. M. Khatavkar
Membership No. 206569**

**Place: Hyderabad
Date: 30.05.2018**

Annexure - A to the Independent Auditors' 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 DR HABEEBULLAH LIFE SCIENCES LIMITED ("the Company") as of 31st March 2018 in conjunction with our audit of the Consolidated Ind AS 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 31st March 2018, 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 N.M. Khatavkar & Co.,
Chartered Accountants
Firm Regd No. 007939S**

**Sd/-
N. M. Khatavkar
Membership No. 206569**

**Place: Hyderabad
Date: 30.05.2018**

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2018

(Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2018	As at March 31, 2017
I	ASSETS:			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	2	3,618,440	4,632,449
	(b) Capital work-in-progress		-	-
	(c) Goodwill		-	-
	(d) Other Intangible Assets		-	-
	(e) Intangible Assets under development		161,332,524	148,547,731
	(f) Financial assets			
	(i) Investments	3	75,000	75,000
	(ii) Other Financial Assets	4	19,525,000	3,000,000
	(g) Deferred tax assets (net)	5	3,631,005	3,009,437
	(h) Other non-current assets		-	-
(2)	Current assets			
	(a) Inventories	6	952,009	13,033
	(b) Financial assets			
	(i) Investments		-	-
	(ii) Trade receivables	7	28,740,086	32,745,472
	(iii) Cash and cash equivalents	8	3,448,167	253,046
	(iv) Bank Balances other than (iii) above		-	-
	(v) Loans and advances	9	7,000,000	-
	(vi) Investments held for Sale		-	-
	(c) Other current assets	10	698,422	222,961
	TOTAL ASSETS		229,020,653	192,499,130
II	EQUITY AND LIABILITIES:			
	Equity			
	(a) Equity Share Capital	11	117,587,060	102,587,060
	(b) Other Equity			
	(i) Share Warrants	12(a)	15,250,000	-
	(ii) Reserves and Surplus	12(b)	(19,259,357)	(23,902,995)
	(c') Non-Controlling Interests	12(c')	41,406,221	41,539,875
	Liabilities			
(1)	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(b) Provisions	13	625,274	281,400
(2)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	68,050,000	65,009,985
	(ii) Trade Payables	15	620,752	433,215
	(iii) Other financial liabilities		-	-
	(b) Other current liabilities	16	4,740,704	6,550,590
	(c) Provisions		-	-
	(d) Current tax liabilities(Net)		-	-
	TOTAL EQUITY AND LIABILITIES		229,020,653	192,499,130
	Significant accounting policies and notes to accounts	1 to 23		

As per our report of even date
For N.M. Khatavkar & Co.,
Chartered Accountants
Firm Registration No.007939S

Sd/-
N. M. Khatavkar
Membership No. 206569

Place: Hyderabad
Date : 30-05-2018

For and on behalf of the Board
For DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-
K.Krishnam Raju
Whole-time Director & Chairman
DIN: 00874650

Sd/-
K. Nirusha
Chief Financial Officer

Sd/-
Dr. T.V. Ramakrishna Murthy
Director
DIN: 007688759

Sd/-
Pooja Jain
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018

(Amount in Rs.)

	PARTICULARS	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
I	Revenue from operations	17	6,167,239	12,808,464
II	Other Income	18	281,400	135,122
III	Total Income (I+II)		6,448,639	12,943,586
IV	Expenses:			
	Cost of raw material and components consumed	19	640,779	12,429,826
	Employee Benefit Expenses	20	8,969,006	3,411,446
	Depreciation and amortization expenses	2	119,669	139,214
	Other expenses	21	7,830,770	2,811,510
	Total Expenses		17,560,224	18,791,996
V	Profit before tax (III-IV)		(11,111,585)	(5,848,410)
VI	Tax Expenses			
	- Current tax		-	-
	- Deferred tax		(621,568)	7,228,586
VII	Profit for the period (V-VI)		(10,490,017)	(13,076,996)
VIII	Other Comprehensive Income (OCI)			
	i) Items that will not be reclassified to profit & loss		-	-
	ii) Income tax relating to items that will not be reclassified to profit & loss		-	-
	Other comprehensive income for the year (net of tax)		-	-
IX	Total Comprehensive Income (VII+VIII)		(10,490,017)	(13,076,996)
X	Comprehensive Income attributable to			
	Owners of the company		(10,356,362)	(8,268,456)
	Non Controlling Interest		(133,654)	(4,808,540)
XI	Earnings per equity share: (Equity shares of par value of Rs.10/- each)			
	- Basic	22	(0.97)	(1.08)
	- Diluted	22	(0.75)	(1.08)
	Significant accounting policies and notes to accounts	1 to 23		

As per our report of even date
For N.M. Khatavkar & Co.,
Chartered Accountants
Firm Registration No.007939S

Sd/-
N. M. Khatavkar
Membership No. 206569

Place: Hyderabad
Date : 30-05-2018

For and on behalf of the Board
For DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-
K.Krishnam Raju
Whole-time Director & Chairman
DIN: 00874650

Sd/-
K. Nirusha
Chief Financial Officer

Sd/-
Dr. T.V. Ramakrishna Murthy
Director
DIN: 007688759

Sd/-
Pooja Jain
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	Year ended 31-03-2018 Amount in Rs.	Year ended 31-03-2017 Amount in Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax	(11,111,585)	(5,848,410)
Adjustment for:		
Depreciation and Amortisation	119,669	139,214
Interest Expenses	-	-
Interest Earned	-	-
Cash Flows from Operations before changes in assets and liabilities	(10,991,916)	(5,709,196)
Movements in Working Capital::		
(Increase)/ Decrease in trade receivables	4,005,386	17,661,204
(Increase) / Decrease in Short term Loans and Advances	(7,000,000)	-
(Increase)/Decrease in other Current Assets	(475,461)	1,000,000
(Increase) / Decrease in Inventories	(938,976)	82,200
(Increase) / Decrease in Trade Payables	187,537	(16,817,555)
Increase/(Decrease) in Other current liabilities	(1,809,886)	1,220,533
Change in Working Capital	(6,031,400)	3,146,382
Changes in non current assets and liabilities		
Decrease/(Increase) in loans & advances	(16,525,000)	-
Decrease/(Increase) in Long Term Provisions	343,874	-
Changes in non current assets and liabilities	(16,181,126)	-
Cash Generated From Operations	(33,204,442)	(2,562,814)
Less: Taxes paid	-	-
Net Cash from operating activities(A)	(33,204,442)	(2,562,814)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Fixed assets and Capital Work In progress	(11,890,453)	(10,870,615)
Bank Balances not considered as Cash and Cash equivalents	-	-
Investment in equity Shares	-	-
Net cash used in Investing activities (B)	(11,890,453)	(10,870,615)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Share Capital	45,250,000	-
Increase / (Decrease) in Borrowings	3,040,015	12,680,000
Interest paid	-	-
Net cash Flow from Financing Activities (C)	48,290,015	12,680,000
Net Increase/(Decrease) in cash & cash equivalents [A+B+C]	3,195,120	(753,429)
CASH & CASH EQUIVALENTS AT THE BEG INNING OF THE YEAR	253,046	1,006,475
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	3,448,166	253,046

As per our report of even date
For N.M. Khatavkar & Co.,
Chartered Accountants
Firm Registration No.007939S

Sd/-
N. M. Khatavkar
Membership No. 206569

Place: Hyderabad
Date : 30-05-2018

For and on behalf of the Board
For DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-
K.Krishnam Raju
Whole-time Director & Chairman
DIN: 00874650

Sd/-
K. Nirusha
Chief Financial Officer

Sd/-
Dr. T.V. Ramakrishna Murthy
Director
DIN: 007688759

Sd/-
Pooja Jain
Company Secretary

a. Equity share capital

(Amount in Rs.)

PARTICULARS	Amount
Balance as at the 1 April 2016	53,881,000
Changes in equity share capital during 2016-17	48,706,060
Balance as at the 31 March 2017	102,587,060
Changes in equity share capital during 2017-18	15,000,000
Balance as at the 31 March 2018	117,587,060

b. Other equity

	Share Warrants	Reserves and surplus			Items of Other comprehensive income (OCI)	Equity attributable to the share holders of the company	Non-Controlling Interest	Total
		Securities Premium Reserve	Capital Reserve	Retained earnings	Others			
Balance at 1 April 2016	-	-	-	(15,810,011)	-	(15,810,011)	-	(15,810,011)
Total comprehensive income for the year ended 31 March 2017								
Profit or loss			-	(8,268,456)	-	(8,268,456)	-	(8,268,456)
Other comprehensive income(net of tax)			-	-	-	-	-	-
Total comprehensive income		-	-	(8,268,456)	-	(8,268,456)	-	(8,268,456)
Transactions with owners in their capacity as owners directly in equity	-	-	-	-	-	-	-	-
purchase of Non-Controlling Interest			175,472			175,472	41,539,875	41,715,347
Balance at 31 March 2017	-	-	175,472	(24,078,467)	-	(23,902,995)	41,539,875	17,636,880
Total comprehensive income for the year ended 31 March 2018								
Profit or loss		-	-	(10,356,362)	-	(10,356,362)	(133,654)	(10,490,017)
Other comprehensive income(net of tax)		-	-	-	-	-	-	-
Total comprehensive income		-	-	(10,356,362)	-	(10,356,362)	(133,654)	(10,490,017)
Transactions with owners in their capacity as owners	15,250,000	15,000,000	-	-	-	30,250,000	-	30,250,000
Balance at 31 March 2018	15,250,000	15,250,000	175,472	(34,434,829)	-	(4,009,357)	-	37,396,864

1. Significant Accounting Policies & Notes annexed to and forming part of the Consolidated financial Statements

1.1. Basis for preparation of financial statements:

a) Compliance with Indian Accounting Standards (Ind As)

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind As) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013. Up to the year ended March 31, 2017, the Group prepared financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

These are the Group first Ind As financial statements. The date of transition to Ind As is April 1, 2016.

b) First time adoption

In accordance with Ind As 101 on First- time adoption of Indian Accounting Standards, the Group has prepared its first Ind As financial statements which include:

(i) Three Balance sheets namely, the opening Balance Sheet as at 1st April, 2016

(The transition date) by recognizing all assets and liabilities whose recognition is required by Ind As, not recognizing assets or liabilities which are not permitted by Ind As, by reclassifying assets and liabilities from previous GAAP as required by Ind As and applying Ind As in measurement of recognized assets and liabilities; and Balance Sheets as at March 31, 2018 and 2017; and

(ii) Two Statements each of profit and loss; cash flows and changes in equity for the years ended March 31, 2018 and 2017 together with related notes.

The same accounting policies have been applied for all the periods presented except when the Group has made use of certain exceptions.

The financial statements have been prepared on the historical cost basis except for certain instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Group normal operating cycle and other criteria set out in the schedule III of the Act. The Group has determined its operating cycle as twelve months for the purpose of current-noncurrent classification of assets and liabilities.

The financial statements are presented in Indian Rupees which is also its functional currency. All amounts have been rounded – off to the nearest rupees, unless otherwise indicated.

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The acquisition accounting is used by the group to account for business combinations.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedure

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) Use of estimates and judgment

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

1.2. Property, Plant and Equipment & Depreciation

Items of Property, Plant and Equipment are stated at cost less accumulated depreciation.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Depreciation on the fixed assets has been provided based on useful lives as prescribed under part C of the schedule II of the companies act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Transition to Ind AS: On Transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per previous GAAP which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 16 Property, plant and equipment.

1.3 Impairment of non-financial assets

The Group non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

1.4 Intangible assets

Intangible assets are amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as change in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in profit or loss.

1.5 Inventory

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

Stores and consumables are valued at cost arrived at on FIFO basis or net realisable value, whichever is lower

1.6 Foreign currencies transactions and translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

1.7 Provisions

A provision is recognized when the Group has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (other than employee benefits) are not discounted to its 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.

1.8 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Interest Income

Interest income from a financial asset is recognised using effective interest rate method. However, in respect of certain financial assets where it is not probable that the economic benefits associated with the transaction will flow to the entity and amount of revenue cannot be measured reliably, in such cases interest income is not recognised.

1.9 Dividend Income

Dividends will be recognised when the Group right to receive has been established

1.10 Employee benefits

1.10.1 Short term employee benefits

The undiscounted amount of short term employee benefits are expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

1.10.2 Defined benefit plans

a) Gratuity

In accordance with the Payment of Gratuity Act, 1972, Group provides for gratuity, a defined retirement plan (the "Gratuity Plan") covering the eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee salary and the tenure of employment. Liability with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the Group contributes the ascertained liabilities to Insurer.

b) Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the Group make monthly contributions to the Regional Provident Fund Commissioner equal to a specified percentage of the covered employee's salary.

c) Employee State Insurance Fund

Eligible employees (whose gross salary is less than Rs. 21,000 per month) are entitled to receive benefit under employee state insurance fund scheme. The employer makes contribution to the scheme at a

predetermined rate (presently 4.75%) of employee's gross salary. The Group has no further obligations under the plan beyond its monthly contributions. These contributions are made to the fund administered and managed by the Government of India. Monthly contributions are charges to income in the year it is incurred.

d Leave encashment

All the employees who have completed their eligible service in the Company are eligible for leave encashment as per policy of the Company and the same is paid to the eligible employee at retirement, death, incapacitation or termination of employment. This amount, as calculated for all the eligible employees, is charged to income and taken as provision in the financial statements.

1.11 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

1.12 Leases

Leases are classified as finance lease whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.

1.13 Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest method.

1.14 Earnings per equity share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owner of the Group.
- By the weighted number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

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

1.15 Financial Instruments

i. Financial assets

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

a) Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through profit or loss (FVTPL)

A Financial asset which is not classified as AC or FVOCI are measured at FVTPL e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

c) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose Objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B. Investments in subsidiaries

The Group has accounted for its investments in subsidiaries at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

ii. Financial Liabilities

A. Initial recognition

All financial liabilities are recognized at fair value.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.16 First time adoption of Ind As**Transition to Ind As**

The Group has adopted Ind As with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening reserves as at 1st April, 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind As and Schedule III.

a) Exemptions from retrospective application**i. Fair value as deemed cost exemption**

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date.

1.17. Auditors remuneration:

PARTICULARS	2017-18 (Rupees)	2016-17 (Rupees)
Audit Fee	69,500	38,625
Total	69,500	38,625

1.18. The Board of Directors assesses the financial performance of the Company and make strategic decisions and has been identified as being the Chief Operating Decision Maker (CODM). Based on the internal reporting provided to the CODM, the Company has only one reportable segment i.e. 'healthcare services including hospital, diagnostics, health care skill development and allied services, Pharma and Bio technology (R&D)' and hence no separate disclosures are required under Ind AS 108.

1.19. Earnings per share (EPS):

The details of number of Equity shares used in calculating Basic and Diluted earnings per share are set out below:

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Weighted average Equity shares for computing Basic EPS	1,06,78,980	76,29,913
Dilutive impact of Share Warrants	30,50,000	-
Weighted average Equity shares for computing Diluted EPS	1,37,28,979.97	76,29,913.17

1.20 The Group has not received any information from any of the supplier of their being Micro, Small and medium enterprises. Hence, the amounts due to Micro, Small and Medium enterprises outstanding as on 31-03-2018 was Rs. Nil.

1.21 Balances in respect of trade payables, various advances and trade receivables are subject to confirmation from the respective parties. The Company has received confirmation letters from all the major parties of trade payable and trade receivables.

1.22 a. Financial assets

Financial Assets Valuation	Year ended 31-03-2018	Year ended 31-03-2017
Non-Current Investments		
Investment in equity instruments of other companies (Cost) Unquoted Krisani Innovations Pvt Ltd (7,500 equity shares of Rs 10 each subscribed at Face value)	75,000	75,000
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Other Financial Assets (Non-Current)		
Security Deposits at (at amortised cost)	1,95,25,000	30,00,000
Total non-current Financial assets	1,96,00,000	30,75,000

b. Financial Risk Management

In course of its business, the Group is exposed to certain financial risk such as market risk (Including currency risk and other price risks), credit risk and liquidity risk that could have significant influence on the Group business and operational/financial performance. The Board of directors reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

c. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults.

The Group makes an allowance for doubtful debts/advances using expected credit loss model.

d. Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group exposure to liquidity risk is minimal.

1.23 First Time Ind As adoption Reconciliations

Effect of Ind As adoption on the balance sheet as at 31st March, 2017 and 1st April, 2016:

PARTICULARS	Year ended 31 st March,2017		
	Previous GAAP	Effect of transition to Ind As	As per Ind As
ASSETS:			
Non-current assets			
(a) Property, Plant and Equipment	46,32,449	-	46,32,449
(e) Intangible Assets under development	14,85,47,731	-	14,85,47,731
(f) Financial assets			
(i) Investments	75,000	-	75,000
(ii) Other Financial Assets	30,00,000	-	30,00,000
(g) Deferred tax assets (net)	30,09,437	-	30,09,437
Current assets			
(a) Inventories	13,033	-	13,033
(b) Financial assets			
(ii) Trade receivables	3,27,45,472	-	3,27,45,472
(iii) Cash and cash equivalents	2,53,046	-	2,53,046
(c) Other current assets	2,22,961	-	2,22,961
TOTAL ASSETS	19,24,99,129	-	19,24,99,129
EQUITY AND LIABILITIES:			
Equity			
(a) Equity Share Capital	10,25,87,060	-	10,25,87,060
(b) Other Equity			
(i) Share Warrants			
(ii) Reserves and Surplus	(2,39,02,995)	-	(2,39,02,995)
(c) Non-Controlling Interests	4,15,39,875	-	4,15,39,875
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	-		-
(b) Provisions	2,81,400	-	2,81,400
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	6,50,09,985	-	6,50,09,985
(ii) Trade Payables	4,33,215	-	4,33,215
(b) Other current liabilities	65,50,590	-	65,50,590
TOTAL EQUITY AND LIABILITIES	19,24,99,130	-	19,24,99,130

Reconciliation of profit and other equity between Ind As and Indian GAAP:

Particulars	Net Profit Year ended 31st March,2017	Other Equity	
		As at 31st March, 2017	As at 1st April, 2016
Net Profit/Other equity as per Indian GAAP	(82,68,456)	(2,40,78,467)	(1,58,10,011)
Add/Less: Adjustments	-	-	-
Net Profit before OCI/Other equity as per Ind As	(82,68,456)	(2,40,78,467)	(1,58,10,011)

Effect of Ind as adoption on the Statement of Profit and loss:

Particulars	Year ended 31st March,2017		
	Previous GAAP	Effect of transition to Ind As	As per Ind As
I. Revenue from operations	1,28,08,464	-	1,28,08,464
II. Other Income	1,35,122	-	1,35,122
III. Total Income (I+II)	1,29,43,585.66	-	1,29,43,585.66
EXPENSES		-	
Cost of raw material and components consumed	1,24,29,826.20	-	1,24,29,826.20
Employee benefit expense	34,11,446	-	34,11,446
Depreciation and amortization Expense	1,39,214	-	1,39,214
Other expenses	28,11,510	-	28,11,510
Total expenses (IV)	1,87,91,996	-	1,87,91,996
Profit/(loss) before tax (III-IV)	(58,48,410)	-	(58,48,410)
Tax expense:		-	
(1) Current tax	-	-	-
(2) Deferred tax	72,28,586	-	72,28,586
Net profit for the period	(1,30,76,996)	-	(1,30,76,996)

NOTE NO. 2: PROPERTY, PLANT AND EQUIPMENT:

	Computers	Furniture and Fixtures	Lab Equipments	Office Equipment	Total
Deemed cost (gross carrying amount)					
Balance at 1 April 2016	690,649	540,815	8,942,338	335,939	10,509,741
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31 March 2017	690,649	540,815	8,942,338	335,939	10,509,741
Additions	74,576	-	126,650	19,800	221,026
Disposals	-	-	-	-	-
Balance at 31 March 2018	765,225	540,815	9,068,988	355,739	10,730,767
Accumulated depreciation at 1 April 2016	597,476	268,216	3,463,147	293,873	4,622,712
Depreciation for the year	33,467	63,681	1,115,366	42,066	1,254,580
Balance at 31 March 2017	630,943	331,897	4,578,513	335,939	5,877,292
Depreciation for the year	39,149	63,681	1,115,518	16,687	1,235,035
Balance at 31 March 2018	670,092	395,578	5,694,031	352,626	7,112,327
Carrying amounts(net)					
At 1 April 2016	93,173	272,599	5,479,191	42,066	5,887,029
At 31 March 2017	59,706	208,918	4,363,825	-	4,632,449
At 31 March 2018	95,133	145,237	3,374,957	3,113	3,618,440

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per previous GAAP, which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 16 Property, plant and equipment. As on 1 April 2016, gross block and accumulated depreciation was Rs.1,05,09,741/- and Rs.46,22,712/- respectively.

Depreciation on Lab Equipments amounting to Rs.11,15,366/- (Previous Year Rs. 11,15,366/-) Included in Intangible Assets Under Development.

NOTE NO: 3 NON CURRENT INVESTMENTS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Krisani Innovations Private Limited (7,500 Equity Shares of Rs.10/- each in)	75,000	75,000
	75,000	75,000

Consolidated Notes to accounts

NOTE NO: 4 OTHER NON-CURRENT FINANCIAL ASSETS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Security Deposits	19,525,000	3,000,000
	19,525,000	3,000,000

NOTE NO: 5 DEFERRED TAX ASSETS (Net):

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Opening Deferred Tax asset	3,009,437	10,238,023
Deferred tax asset/(liability) to P&L for the year	621,568	(7,228,587)
Deferred tax asset to OCI for the year	-	
Closing Deferred tax asset	3,631,005	3,009,437

Component of Deferred tax asset / (liabilities)

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Deferred tax asset / (liabilities) in relation to:		
Property, plant & equipment	(70,769)	(273,531)
Carry forward Losses	3,352,644	2,846,885
Future allowable Expenses	349,130	436,083
	3,631,005	3,009,437

NOTE NO: 6 INVENTORIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
(a) Stores and consumables	952,009	13,033
	952,009	13,033

Consolidated Notes to accounts

NOTE NO: 7 TRADE RECEIVABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
(a) Outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	28,399,089	32,299,089
(b) Outstanding for a period not exceeding six months Unsecured, considered good	340,997	446,383
	28,740,086	32,745,472

NOTE NO: 8 CASH AND CASH EQUIVALENTS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
(a) Balance with banks	3,287,913	238,614
(b) Cheques in Hand	-	-
(c) Cash on Hand	160,254	14,432
	3,448,167	253,046

NOTE NO: 9 LOANS AND ADVANCES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Inter Corporate Loans given to M/s Innovision Life Sciences Pvt. Ltd	7,000,000	-
	7,000,000	-

NOTE NO: 10 OTHER CURRENT ASSETS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
(a) GST Receivable	394,361	-
(b) MAT Credit Entitlement	206,409	206,409.00
(c) Advance Tax & TDS	16,552	16,552.00
(d) Supplier advances	81,100	-
	698,422	222,961

Consolidated Notes to accounts

NOTE NO: 11: EQUITY SHARE CAPITAL

PARTICULARS	As At March 31,2018		As At March 31,2017	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised Equity Shares of Rs. 10/- each	16,000,000	160,000,000	13,000,000	130,000,000
Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up (Refer foot note (a) to (d) below)	11,758,706	117,587,060	10,258,706	102,587,060
Total	11,758,706	117,587,060	10,258,706	102,587,060

Foot note:

(a) Reconciliation of the number of shares outstanding as at March 31, 2018 and March 31, 2017:

PARTICULARS	As At March 31,2018		As At March 31,2017	
	Number	Amount in Rs.	Number	Rs. In lakhs
Equity Shares outstanding at the beginning of the year	10,258,706	102,587,060	5,388,100.00	53,881,000
Equity Shares Issued during the year for Cash	1,500,000	15,000,000	-	-
Equity Shares Issued during the year for other than cash*	-	-	4,870,606	48,706,060
Equity Shares bought back during year	-	-	-	-
Equity Shares outstanding at the end of the year	11,758,706	117,587,060	10,258,706	102,587,060

*48 70,606 shares of Rs. 10 each allotted as fully paid up pursuant to contract without payment being received in cash.

(b) Details of Shareholders holding more than 5% shares :

PARTICULARS	As At March 31,2018		As At March 31,2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1 K. KRISHNAM RAJU	2,899,630	24.66%	2,899,630	28.27%
2 MOHAMMED AEJAZ HABEEB	1,279,124	10.88%	1,279,124	12.47%
3 SYED AMEER BASHA PASPALA	1,161,800	9.88%	1,161,800	11.33%
4 K. SARADA VIJAYA KUMARI	865,690	7.36%	865,690	8.44%
5 K. NIRUSHA	1,029,200	8.75%	1,029,200	10.03%
6 P. PARVATHI	393,586	3.35%	393,586	3.84%
7 ARUN KUMAR BHANGADIA (PUBLIC)	776,800	6.61%	826,800	8.06%

(c) Terms and rights attached to the equity shares:

The Company has only one class of equity shares having par value of Rs.10/- each. Each holder of equity shares is entitled for one vote per share. Distribution of dividends and repayment of capital, if any, by the company, shall be subject to the provisions of applicable laws.

Consolidated Notes to accounts

NOTE NO: 12 (a) SHARE WARRANTS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Convertible Equity Share Warrants	15,250,000	-
During the financial year the company has allotted the 37,50,000 Convertible Equity Share Warrants on Preferential basis to Promoters and non- promoters up on receipt of 25% of the issue price. Issue price fixed at INR 20/- per equity share of Face Value of INR 10/- each at premium of INR 10/-. Out of 37,50,000 Share warrants 7,00,000 Share Warrants converted in to 7,00,000 equity shares upon receipt of balance amount.		
	15,250,000	-

NOTE NO: 12 (b) RESERVES AND SURPLUS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
(a) Securities Premium:	15,000,000	-
(b) Capital Reserve		
Profit on Acquisition of Krisani Bio Sciences Private Limited	175,472	175,472
(b) Retained earnings:		
Opening balance	(24,078,467)	(15,810,011)
(+) Net profit during the year	(10,356,362)	(8,268,456)
Closing balance	(34,434,829)	(24,078,467)
(c) Other Comprehensive income:	-	-
Total (a+b+c)	(19,259,357)	(23,902,995)

Consolidated Notes to accounts

NOTE NO: 12 (c) NON-CONTROLLING INTERESTS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
NCI % in Krisani Bio Sciences Private Limited	48.7%	48.7%
Non Current Assets	159,292,603	156,264,617
Current Assets	163,029	48792.88
Non Current Liabilities	-	(281,400)
Current Liabilities	(74,380,183)	(70,681,948)
Net Assets	85,075,449	85,350,062
Net Assets Attributable to NCI	41,406,221	41,539,875.10

NOTE NO: 13 LONG TERM PROVISIONS:

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Provision for Leave encashment	315,230	-
Provision for employee Gratuity	310,044	281,400
	625,274	281,400

NOTE NO: 14 SHORT TERM BARROWINGS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Un Secured Loans from Directors	68,050,000	65,009,985
	68,050,000	65,009,985

NOTE NO: 15 TRADE PAYABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Dues to Micro, Small and Medium Enterprises		
Dues to others	620,752	433,215
	620,752	433,215

The above loans are interest free loans and repayable on demand.

Consolidated Notes to accounts

NOTE NO: 16 OTHER CURRENT LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
(a) Statutory Liabilities	687,302	512,572
(b) Expenses Payable	2,927,448	5,858,968
(c) Security deposits from customers	-	-
(d) Employee Benefits Payable	1,125,954	179,050
	4,740,704	6,550,590

NOTE NO: 17 INCOME FROM OPERATIONS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Revenue from Operations		
Diagnostic Services	4,399,389	
OP Services	1,767,850	-
Trading business	-	12,808,464
	6,167,239	12,808,464

NOTE NO: 18 OTHER INCOME

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Non Operating Income		
Finance Income on		
Deposits with bank	-	-
Others	-	135,122
Liabilities no longer required	281,400	
	281,400	135,122

NOTE NO: 19 MATERIAL AND COMPONENTS CONSUMED

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Inventory at the beginning of the year	-	-
Add: Purchases	1,592,788	12,429,826
Less: inventory at the end of the year	952,009	
Cost of raw material and components consumed	640,779	12,429,826

Consolidated Notes to accounts

NOTE NO: 20 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Director Remuneration	1,875,000	1,200,000
Salaries & Wages	6,035,817	2,176,180
Contribution to provident and other funds	321,727	-
Gratuity and Leave Encashment	625,274	-
Staff welfare expenses	111,188	35,266
	8,969,006	3,411,446

NOTE NO: 21 OTHER EXPENSES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Amount in Rs.	Amount in Rs.
Rent	843,000	370,000
Rates and Taxes	373,540	674,793
Professional fee	3,078,507	175,108
Audit Fee	69,500	38,625
Business Promotion	89,428	-
Office Maintenance	289,944	55,841
Printing & Stationery	231,810	58,325
Communication Expenses	228,570	113,757
Travelling & Conveyance	283,990	129,500
Power & Fuel Expenses	164,075	93,055
Repairs & Maintenance	31,272	24,650
Postage & Courier	41,946	83,464
Bank Charges	29,656	4,705
Advertisement Expenses	69,845	108,421
Annual Custodian Fee	-	329,956
Listing Processing & Annual Listing Fees	945,950	332,350
Registrar & Transfer Fees	285,152	96,902
Board meeting expenses	-	61,000
Misc. Expenses	750	1,292
Directors Sitting Fees	180,000	-
Books & Periodicals	7,100	-
Fines & Penalties	400,000	-
Membership fees	21,600	59,766
Lab Maintenance Expenses	165,135	
	7,830,770	2,811,510

Note No.22: Earnings Per Share (EPS)

	As at 31.03.2018	As at 31.03.2017
EPS – Basic		
Net Profit (Loss)	10,356,362	8,268,456
Appropriations	-	-
Net Profit (Loss) Attributable to Share Holders as at 31st March (Numerator)	10,356,362	8,268,456
No of Shares outstanding at the beginning of the year	10,258,706	5,388,100
No of Shares outstanding at the end of the year	11,758,706	10,258,706
Adjusted Weighted average number of equity shares of Face Value Rs.10 each (Denominator)	10,678,980	7,629,913
Nominal Value of Ordinary Shares	10	10
Computation of EPS - Basic (in Rs)	(0.97)	(1.08)
EPS – Diluted		
Net Profit (Loss) Attributable to Share Holders as at 31st March of Face Value Rs.10 each (Numerator)	(10,356,362.47)	(8,268,455.76)
Adjusted Weighted average number of equity shares	10,678,979.97	7,629,913.17
Weighted average number of equity shares that wouldbe issued on conversion of all Shae Warrants into Equity shares	3,050,000.00	-
Total Weighted average number of equity shares for Diluted EPS (Denominator)	13,728,979.97	7,629,913.17
Nominal Value of Ordinary Shares	10.00	10.00
Computation of EPS - Diluted (in Rs)	(0.75)	(1.08)

23. Related Party Disclosures

As per Ind As 24 the disclosure of transactions with the related parties are given below

a) Related Parties and nature of relationship:

Mr.K.Krishnam Raju	Promoter & Whole-time Director & Chairman
Dr. Mohammed Aejaz Habeeb	Promoter & Non - Executive Director
Dr. Syed Ameer Basaha Paspala	Promoter & Non - Executive Director
Dr.A.Radha Rama Devi	Independent Non - Executive Director
Dr. Akka Jyothy	Independent Non - Executive Director
Dr. T.V.Rama Krishna Murthy	Independent Non - Executive Director
Ms. Pooja Jain	Company Secretary & Compliance Officer
Mrs. K.Nirusha	Chief Financial Officer & Promoter Group
Mrs. K.Sarada Vijaya Kumari	Promoter Group
Ms. Shwetha R Anthapur	Company Secretary & Compliance Officer of Subsidiary Company

The Promoters of DRHLSL are major Promoters and/or Shareholders / Partners of the below entities –

1. Innovision Life Sciences Pvt.Ltd – Company
2. Centre For Liver Research and Diagnostics – Partnership Firm

b) Transactions with Related parties:

Name of the related party	Nature of Transaction	Year ended 31-03-2018 (Rupees)	Year ended 31-03-2017 (Rupees)
K. Krishnam Raju	Remuneration	39,00,000	36,00,000
	Rent expenses	2,25,000	1,50,000
	Demand loan taken	19,50,000	1,21,25,000
	Demand loan repaid	59,09,985	10,00,000
K.S.V. Kumari	Rent expenses	3,15,000	1,50,000
	Demand loan taken	5,00,000	15,55,000
Dr. Mohammed Aejaaz Habeeb	Professional Fee	8,48,394	-
Dr. Syed Ameer Basha Paspala	Professional Fee	6,53,453	-
	Demand loan taken	65,00,000	---
Ms.Pooja Jain	Remuneration	4,80,000	3,90,000
Mrs.K.Nirusha	Remuneration	6,87,500	-
Shwetha R Anthapur	Salary paid	1,80,000	1,80,000
Innovision Life Sciences Pvt.Ltd	Inter-Corporate Loan	70,00,000	-
Centre For Liver Research and Diagnostics	Lease Deposit	1,95,00,000	-
Krisanai Bio Sciences Pvt. Ltd.	Security Deposit again Master Collaborative Agreements to for there develop there malicious	40,00,000	-

c) Related parties outstanding balances:

Name of the related party	Particulars	Year ended 31-03-2018 (Rupees)	Year ended 31-03-2017 (Rupees)
K. Krishnam Raju	Rent payable	72,500Cr	50,000 Cr
	Demand loan taken	5,23,50,000 Cr	5,63,09,985 Cr
K.S.V.Kumari	Rent payable	86,000Cr	50,000 Cr
	Demand loan taken	92,00,000 Cr	87,00,000 Cr
Dr.Mohammed Aejaaz Habeeb	Professional Fee Payable	1,29,604Cr	-
Dr.Syed Ameer Basha Paspala	Professional Fee Payable	1,31,665Cr	-
	Demand loan taken	65,00,000 Cr	---
Shwetha R Anthapur	Salary payable	15,000 Cr	15,000 Cr

As per our report of even date
For N.M. Khatavkar & Co.,
Chartered Accountants
Firm Registration No.007939S

Sd/-
N. M. Khatavkar
Membership No. 206569

Place: Hyderabad
Date : 30-05-2018

For and on behalf of the Board
For DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-
K.Krishnam Raju
Whole-time Director & Chairman
DIN: 00874650

Sd/-
K. Nirusha
Chief Financial Officer

Sd/-
Dr. T.V. Ramakrishna Murthy
Director
DIN: 007688759

Sd/-
Pooja Jain
Company Secretary

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Shareholders of DR HABEEBULLAH LIFE SCIENCES LIMITED will be held on Friday, the 28th September, 2018 at 10.30 AM at Registered Office of the Company at 2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajendra Nagar Mandal, Hyderabad – 500048, Telangana State, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31, March 2018 together with the reports of the Board of Directors and the Auditors thereon.
 - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2018, together with the report of the Auditors thereon.
2. To appoint a director in place of Dr. Mohammed Aejaz Habeeb (DIN 02265024) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, and pursuant to recommendation of Audit Committee **M/s. MSKA & Associates, Chartered Accountants, (Firm Reg. No. 105047W)**, be and is hereby appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this 22nd Annual General Meeting till the conclusion of 27th Annual General Meeting of the Company and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2019 as may be determined by the Audit Committee in consultation with the Auditor from time to time.”

SPECIAL BUSINESS:

4. **MAINTAINING AND KEEPING THE COMPANY'S REGISTERS REQUIRED TO BE MAINTAINED UNDER SECTION 88 OF THE COMPANIES ACT, 2013 AND COPIES OF ANNUAL RETURNS FILED UNDER SECTION 92 OF THE COMPANIES ACT, 2013 OR ANY ONE OR MORE OF THEM, AT A PLACE OTHER THAN COMPANY'S REGISTERED OFFICE**

To consider and if thought fit, pass with or without modification(s), the following resolution as Special Resolution.

“**RESOLVED THAT** pursuant to the provisions of Section 94(1) and other applicable provisions of the Companies Act, 2013 read with rule 5 (2) of the Companies (Management and Administration) Rules, 2014, the **Consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company** to maintain and keep the Company's registers required to be maintained under Section 88 of the Companies Act, 2013 and copies of Annual Returns filed under Section 92 of the Companies Act, 2013 or any one or more of them and any other records, documents, files and books of accounts at the Corporate office of the Company at No. 11, Phase 1, Vasudeva Bloomfield Elation, Near Delhi Public School, Khajaguda, Nanakramguda, Hyderabad – 500008, Telangana State, India or at such other place as the Board may from time to time decide instead of and/or in addition to the said registers or copy of returns being kept and maintained at the Registered Office of the Company.”

“**RESOLVED FURTHER THAT** Mr. K. Krishnam Raju, Chairman & Whole-time Director and/or the Company Secretary be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the aforesaid resolution.”

5. **APPROVAL FOR DRHLSL EMPLOYEES STOCK OPTION PLAN 2018 FOR EMPLOYEES OF THE COMPANY**

To consider and if thought fit, pass with or without modification(s), the following resolution as Special Resolution.

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 (the 'Act') read with the rules framed thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI ESOP Regulations'), the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the circulars / guidelines issued by the Securities and Exchange Board of India ('SEBI'), the Articles of Association of the Company and all other applicable regulations, rules and circulars / guidelines in force, from time to time (including any statutory modification or re-enactment thereof for the time being in force, **Consent of the Members of the Company be and is hereby accorded to the Board**(hereinafter referred to as the 'Board', which term shall include the Nomination, Remuneration and Compensation Committee constituted by the Board or any other committee which the Board may constitute to act as the 'Compensation Committee' under the SEBI ESOP Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution)for the formulation and implementation of '**DRHLSL Employees Stock Option Plan 2018**' ('**ESOP Plan 2018**') and for creation, grant, offer, issue and allotment, from time to time and in one or more tranches, **Stock Options not exceeding 4,00,000 (Four Lacs Only)** to or for the benefit of following persons which would give rise to the issue of not exceeding **4,00,000 (Four Lacs Only) Equity Shares** of the face value of INR 10 (Rupee Ten only) each and to provide for grant and subsequent vesting and exercise of stock options by the Eligible Employees at such price and on such terms and conditions as may be determined by the Board in accordance with the provisions of the ESOP Plan 2018 as summarized in the explanatory statement annexed hereto and in due compliance with the SEBI ESOP Regulations and other applicable laws, rules and regulations.

- (i) who are permanent employees of the Company, whether working in India or outside India;
- (ii) directors of the Company, whether whole-time or not but excluding independent director(s) and;
- (iii) such other employees and persons as may be permitted under the applicable laws and as may be approved by the Board, from time to time,
- (iv) but excluding --
 - (i) an employee /director who is a promoter or a person belonging to the promoter group and
 - (ii) director(s) who either himself or through his relative(s) or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company (the 'Eligible Employees')

RESOLVED FURTHER THAT in case of any corporate action(s) such as right issues, bonus issues, change in capital structure, merger, split, consolidation of equity shares, sale of division/undertaking and others, the ceiling as aforesaid of **4,00,000 (FourLacs Only)Equity Shares** shall be deemed to be increased/decreased, as may be determined by the Board, to facilitate making a fair and reasonable adjustment to the entitlements of participants under the ESOP Plan 2018.

RESOLVED FURTHER THAT the Board be and is hereby authorized to devise, formulate, evolve, decide upon and bring into effect the ESOP Plan 2018 as per the terms approved in this resolution and at any time to modify, change, vary, alter, amend, suspend or terminate ESOP Plan 2018 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members of the Company and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP Plan 2018 and do all other things incidental to and ancillary thereof.

RESOLVED FURTHER THAT the equity shares so issued and allotted under the ESOP Plan 2018 shall rank paripassu with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the equity shares allotted under the ESOP Plan 2018 on the Stock Exchanges, where the equity shares of the Company are listed in compliance with the provisions of the Listing Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI ESOP Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP Plan 2018.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, and things as it may in its absolute discretion deem necessary including appointment of various intermediaries, advisors, consultants or representatives for effective implementation and administration of the ESOP Plan 2018 as also to make applications to the appropriate authorities for obtaining their requisite approvals as also to initiate all

necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all such deeds, documents and writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of the ESOP Plan 2018 and to take all such steps and do all acts as may be incidental or ancillary thereto.

6. DRHLSL EMPLOYEE STOCK OPTION SCHEME - 2018 TO THE EMPLOYEES OF SUBSIDIARY COMPANY

To consider and if thought fit, pass with or without modification(s), the following resolution as Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 (the 'Act') read with the rules framed there under, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI ESOP Regulations'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the circulars / guidelines issued by the Securities and Exchange Board of India ('SEBI'), the Articles of Association of the Company and all other applicable regulations, rules and circulars / guidelines in force, from time to time (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration Committee of the Board herein after referred to as "the Committee") **approval of the members be and is hereby accorded to the Board/Committee of Directors** to extend the benefits of the "DRHLSL-ESOP Scheme 2018" referred to in the resolution under item No.5 in this Notice and duly passed at this meeting, also to such permanent employees (including joining employees) of the subsidiary company whether working in India or out of India and directors of the company whether whole-time directors or otherwise excluding Independent Directors, as may be decided by the Board and / or Committee or such other persons, as may from time to time, be allowed under prevailing laws and regulations on such terms and conditions at such price as may be decided by the Board and/or Committee".

“RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, decide upon and bring into effect the ESOP Plan 2018 as per the terms approved in this resolution and at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP Plan 2018 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members of the Company and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP Plan 2018 and do all other things incidental to and ancillary thereof.”

7. TO AUTHORIZE BOARD OF DIRECTORS TO ENHANCE THE INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT, 2013

To consider and if thought fit, pass with or without modification(s), the following resolution as Special Resolution.

RESOLVED THAT in supersession of the resolution passed through 1/2016-17 Postal Ballot Results on 29th September, 2016 and 1/2017-18 Postal Ballot Results passed on 22nd December, 2017 and pursuant to provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (the Act) read with Companies (Management and Administration) Rules, 2014 and the provisions of the Articles of Association of the Company and subject to other statutory approvals, consents, sanctions and permissions, as may be necessary, **Consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company** (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers, including the powers conferred by this resolution); for acquisition of Securities of any body corporate or for giving loans, guarantees or providing securities to any body corporate or other person / entity whether in India or outside India from time to time and in one or more tranches, for such amount(s) as the Board may in its absolute discretion determine provided that the aggregate outstanding amount of investment(s) / loan(s) / guarantee(s) / security(ies) / investments already given / made / held by Company if any) **shall not at any point of time exceed INR 100/- Crores (Indian Rupees One Hundred Crores only).**

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide and finalise in its absolute discretion the terms and conditions, in respect of the above mentioned investment(s) in bodies corporate (including subsidiary company) including but not limited to timing, the amount and the nature of each such investment(s) in subsidiary companies (including their overseas subsidiaries), with power to transfer, sell, settle or otherwise dispose off the same, from time to time and to do all such acts, deeds, matters and things, as may be necessary and / or expedient to give effect to this resolution.

8. TO BORROW MONEY(IES) FOR THE PURPOSE OF BUSINESS OF THE COMPANY AND GRANT POWERS TO THE BOARD

To consider and if thought fit, pass with or without modification(s), the following resolution as Special Resolution.

RESOLVED THAT in supersession of the resolution passed through 1/2017-18 Postal Ballot Results on 22nd December, 2017 and in accordance with the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and also subject to other approvals as may be required, **Consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company** to borrow monies for the purpose of the business of the Company, notwithstanding that the monies to be so borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose for the time being, provided that the total amount including the money/s already borrowed by the Company **shall not exceed INR 100 Crores (Indian Rupees One Hundred Crores Only)**.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

9. CREATION OF CHARGES ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE, IN RESPECT OF BORROWINGS

To consider and if thought fit, pass with or without modification(s), the following resolution as Special Resolution.

RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), **Consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company** (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof) to create mortgages/hypothecation and/or charge in addition to the existing mortgages/ hypothecations created/to be created by the Company in such form and manner and with such ranking and on such terms as the Board may determine on all or any of the movable and/or immovable properties, both present and future or substantially the whole of the undertaking(s) or the undertaking(s) of the Company for securing any loan/credit facility obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any person or body(ies) from time to time together with interest, costs, charges, expenses and any other money payable by the Company or to create charge to secure any loan taken by other entities/bodies corporate, on such terms and conditions as the Board may deem fit in the interest of the Company provided that the total amount at any point of time **shall not exceed the limit of INR 100 Crores (Indian Rupees One Hundred Crore Only)** or the aggregate of the paid-up capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the Members of the Company.

For and on Behalf of the Board of Directors

Sd/-
K. Krishnam Raju
Executive Chairman (DIN 00874650)

Place: Hyderabad
Date: 27th Aug, 2018

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. **The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 22nd September, 2018 to Friday, 28th September, 2018 (Both days inclusive).**
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the 22nd Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer viz. **Venture Capital and Corporate Investments Private Limited.**
9. As a measure of austerity, copies of the annual report will not be distributed at the 22nd Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
11. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to Venture Capital and Corporate Investments Private Limited., Share Transfer Agents of the Company for their doing the needful.
12. The Company has designated an exclusive email ID investorrelations@drhlsl.com which would enable the investors/ shareholders to post their grievances, if any, by quoting their Registered Folio Number, Client ID, and Number of shares. However, it may be noted that the Company would not respond to any kind of malicious allegations made by the shareholders with ulterior motives.

Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Investor Relations Department so as to reach the Company at least 3 days in advance before the date of the Annual General Meeting, specifying the point(s).

13. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission/transposition, Demat/ Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
14. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
15. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the Annual General Meeting.
16. Electronic copy of the Annual Report for 2017- 2018 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same and will also be available on the Company's website www.drhlsl.com for their download. For members who have not registered their email address, physical copies of the Annual Report for 2017-2018 is being sent in the permitted mode.
17. Members may also note that the Notice of the 22nd Annual General Meeting and the Annual Report for 2017-2018 will also be available on the Company's website www.drhlsl.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investorrelations@drhlsl.com.

18. Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services.

The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by **Central Depository Services (India) Limited**.

- II. The facility for Voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by Remote E-Voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The Remote E-Voting period commences on Tuesday, 25th September, 2018 (9:00 am) and ends on Thursday, 27th September, 2018 (5:00 pm).

During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 21st September, 2018, may cast their vote by remote e-voting.

The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on “Shareholders” tab.
- (iii) Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - Members holding Shares in Physical Form should enter Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and Click on Login.
 - If you are holding Shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - If you are a first time user, follow the steps given below for the password:

For Members holding Shares in Demat Form and Physical Form:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (iv) After entering these details appropriately, click on “SUBMIT” tab.
- (v) Members holding Shares in physical form will then directly reach the Company selection screen. However, members holding Shares in demat form will now reach Password Creation menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) For Members holding Shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vii) Click on the EVSN for the relevant Company, i.e., Dr Habeebullah Life Sciences Limited on which you choose to vote.
- (viii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (ix) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (x) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xiii) If demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xiv) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xv) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

Contact details for queries relating to E-Voting:

Central Depository Services (India) Limited

Mr. MehboobLakhani / Mr. RakeshDalvi

Address: Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013

Email ID: helpdesk.evoting@cdslindia.com

Toll free Number: 1800225533

Mr. S. Sarveswar Reddy, Practicing Company Secretary, bearing C.P. Number 7478 has been appointed as the Scrutinizer to Scrutinize the E-Voting and Ballot process.

19. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
20. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.drhlsl.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and MSEL Limited.

21. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/ uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.
22. Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with respect to Directors seeking re-appointment/appointment at the Meeting is given below:

Name of the Director	Dr. Mohammed AejaHabeeb
DIN	02265024
Date of Birth	19/01/1966
Age	52 Years
Qualification	Doctor
Date of first appointment on the Board	Tuesday, 27 th December, 2016
Experience	20 Years
Terms and Conditions of Re-appointment along with remuneration to be paid	Same as per the Original Appointment
Remuneration last drawn	NIL Remuneration (But, Professional Fees for rendering services at ORIGIN Hospitals is being paid on proportionate basis)
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Related to Dr. Syed Ameer Basha Paspala
Expertise in Specific Functional Area	Gastroenterologist
No. of Meetings of the Board Attended during the year	4 meetings attended during FY 2017-18
Names of the Companies in which he holds Directorships	NIL
Names of the Companies in which he holds membership of Committees of the Board	NIL
No. of Shares held in the Company as on 31 st March, 2018	12,79,124 (10.88% of Paid Up Capital of the Company)

For and on Behalf of the Board of Directors

**Place: Hyderabad
Date: 27th Aug, 2018**

**Sd/-
K. Krishnam Raju
Executive Chairman (DIN 00874650)**

EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4

As per Section 88 of the Companies Act, 2013 ('Act') the following registers are required to be kept and maintained by a company:

- i. Register of Members;
- ii. Register of debenture holders; and
- iii. Register of any other security holders.

As per provisions of Section 94(1) and other applicable provisions of the Act, the aforementioned registers maintained by the Company under Section 88 of the Act and copies of the annual returns filed under Section 92 of the Act, are required to be kept and maintained at the Registered Office of the Company. However, such registers or copies of returns may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the Company and the Registrar has been given a copy of the proposed special resolution in advance.

Hence, the approval of the members is sought in terms of Section 94(1) of the Act for keeping all or any of the aforementioned registers and returns and any other records, documents, files and books of accounts at the Corporate office of the Company at No. 11, Phase 1, Vasudeva Bloomfield Elation, Near Delhi Public School, Khajaguda, Nanakramguda, Hyderabad – 500008, Telangana State, India or at such other place as the Board may from time to time decide instead of and/or in addition to the said registers or copy of returns being kept and maintained at the Registered Office of the Company.

The Company affirms that more than one-tenth of its members reside in and around Hyderabad i.e. the place at which the registers and returns are proposed to be kept and maintained. A copy of the proposed special resolution set out above will be delivered to the concerned Registrar of Companies in advance.

Except Mr. K. Krishnam Raju, Whole-time Director and Ms. K. Sarada Vijaya Kumari, Promoter Group (PAC) cum relative of Mr. K. Krishnam Raju; None of the other Directors or Key Managerial Personnel of the Company, and/or their relatives is in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Your Board recommends passing of the resolution as set out at Item No. 4 as a Special Resolution.

Item No's. 5 & 6

The main objectives of this scheme is to give employees who are performing well, a certain minimum opportunity to gain from the Company's performance, thereby acting as a retention tool and to attract best talent available in the market DRHLSL Employees Stock Option Plan 2018' (the 'ESOP Plan 2018') will be administered by the Board and/or Nomination & Remuneration Committee of the Board in terms of "SEBI (Share Based Employee Benefits Regulations 2014).

The Board of Directors ('the Board') has identified the need to reward the Employees and the Directors (including the whole-time and Non-Executive Directors but excluding Independent Directors) of your Company and its subsidiaries so as to enable them to participate in the future growth and financial success of your Company and has proposed to offer the eligible Employees an option to acquire the equity shares of your Company under DRHLSL Employees Stock Option Plan 2018' (the 'ESOP Plan 2018').

Further fresh Equity Shares are proposed to be issued under DRHLSL Employees Stock Option Plan 2018' (the 'ESOP Plan 2018') by the Company and the Scheme will be managed directly by the Nomination and Remuneration Committee. The complete disclosures for the same are given in this explanatory statement. The Board has accordingly decided to seek the approval of the Members for the same.

The salient features of DRHLSL Employees Stock Option Plan 2018' (the 'ESOP Plan 2018') are as under:

Total number of options to be granted	Not exceeding 4,00,000 (Four Lacs) options would be available for grant to the eligible employees of the Company and eligible employees of the subsidiary company(ies) in aggregate under DRHLSL Employees Stock Option Plan 2018' (the 'ESOP Plan 2018'), in one or more tranches exercisable in to 4,00,000 (FourLacs) equity shares .
Identification of Classes of Employees entitled to participate in ESOP	<p>Eligibility for grant of options:</p> <ul style="list-style-type: none"> (i) Permanent Employees of the Company / its subsidiaries (ii) Directors of the Company / its subsidiaries <p>Employees not eligible for grant of options:</p> <ul style="list-style-type: none"> i. An employee who is a promoter or belongs to the promoter group ii. A director who either by himself or through his relative or through anybody corporate, directly or indirectly holds more than 10 per cent of the outstanding equity shares of the Company at the time of granting of option iii. Independent Directors
Transferability of Employees Stock Options	The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option guarantee, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees with in the period as may be prescribed under DRHLSL Employees Stock Option Plan 2018' (the 'ESOP Plan 2018').
Requirement of Vesting and Period of Vesting	<p>The continuation of the employee in the service of the Company shall be a primary requirement of the vesting. There shall be a minimum period of one year between the date of grant of options and vesting of options. The maximum vesting period shall not exceed five years. The vesting shall happen in one or more tranches as may be decided by the Board.</p> <p>Vested options lapse due to non-exercise and/or unvested options that get cancelled due to resignation/termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re grant such lapsed/cancelled options as per the provisions of DRHLSL Employees Stock Option Plan 2018' (the 'ESOP Plan 2018').</p> <p>In the event of death of an employee or if he suffers permanent incapacity while in employment, all the options granted to him till the date of death or permanent incapacity, as the case may be, shall vest with his legal heirs / in him on that date.</p>
Maximum period within which the options shall be vested	The maximum period within which the options shall be vested would be five years from the date of grant.
Exercise Price or Pricing Formula	<p>Exercise Price means the price determined by the Nomination and Remuneration Committee from time to time at which the eligible Employees shall be authorized to exercise their Options. The Exercise price per Option shall not be less than face value of equity share and shall not exceed market price of the equity share of the Company as on date of grant of Option, which may be decided by the Committee.</p> <p>The Committee can give cashless exercise of Options, if required, to the employees and shall provide necessary procedures and/or mechanism for exercising such Options subject to applicable laws, rules and regulations.</p>

Exercise Period and Process of Exercise	The exercise period shall commence from the date of vesting and will expire not earlier than 5 years from the date of vesting of Options, i.e. where the options are vested in tranches, the 'date of vesting' referred to hereinabove, would be with reference to the actual vesting of the options at each tranche / phase or installment of vesting. The options would be exercisable by submitting the requisite application form / exercise notice to the Company or such other person as the Company may prescribe, subject to conditions for payment of Exercise Price in the manner prescribed by the Board and/or Committee. All the participants in the Scheme shall deliver a written notice of exercise, in the prescribed form, to the Board and/or Committee on or before the expiry of the exercise period.
Route of Scheme Implementation	The Scheme shall be implemented and administered directly by the Company.
Appraisal Process for determining the eligibility of employees for the Scheme	The appraisal process for determining the eligibility of the employee will be specified by the Board and will be based on any or all of the following criteria: <ul style="list-style-type: none"> • Performance of the employee • Position and responsibility of the employee • Present grade and compensation structure of the employee • Exceptional contribution made by the employee • Integrity and behaviour of the employee • Such other parameters as may be decided by the Board • The committee may at its discretion extend the benefits of the ESOP to a new entrant or any existing employee on such other basis as it may deem fit.
Maximum number of Options / Quantum of benefits to be issued per employee and in aggregate	Maximum number of options to be granted to an eligible employee will be determined by the Compensation Committee/ Nomination and Remuneration Committee on case to case basis in terms of the resolutions passed by the shareholders. Thus, the maximum number of options granted to any one employee / director in a year may exceed 1% of the paid-up capital of the company in aggregate in one financial year as may be determined by the Compensation Committee/Nomination and Remuneration Committee.
Confirmation with the Accounting Policies	The Company shall confirm to the Accounting Policies specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the 'Guidance Note on Accounting for employee share based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein or applicable Accounting Standard as may be prescribed by the ICAI from time to time.
The method the Company shall use to value the options	The company shall follow the intrinsic value method to value the options. The difference between the employee compensation cost computed based on intrinsic value and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Director's Report and also the impact of this difference on profit and on EPS of the Company shall also be disclosed in the Director's Report.

The equity shares allotted pursuant to the exercise of the Options shall be listed on the Stock Exchanges where Company's Equity Shares are listed and necessary applications will be made to those Stock Exchange(s) in this behalf.

As per Regulation 6(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('the Regulations'), any Employees Stock Option Scheme must be approved by way of a Special Resolution.

Further as the Scheme will entail further shares to be offered to persons other than existing Members of your Company, consent of the Members is required for issue of the equity shares and / or instruments entitling the holder to subscribe to or purchase equity shares, in terms of the provisions of Section 62(1)(b) of the Companies Act, 2013.

Regulation 6(3)(c) of the Regulations requires that a separate special resolution is required to be passed if the benefits of the Scheme are to be extended to eligible employees of the subsidiary companies. The options to be granted under the Scheme shall not be treated as an offer or invitation made to public for subscription in the securities of the Company.

None of the Directors or Key Managerial Personnel of the Company, and/or their relatives is in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Your Board recommends passing of the resolution as set out at Item No.s 5 & 6 as a Special Resolutions.

Item No. 7

Pursuant to the provisions of section 186 of the Companies Act, 2013, the Board of Directors shall not except with the approval of the Company shall directly or indirectly:

- give any loan to any person or other body corporate;
- give any guarantee or provide security in connection with a loan to any other body corporate or person; and
- acquire by way of subscription, purchase or otherwise, the securities of any other body corporate,

exceeding sixty percent (60%) of its paid-up share capital, free reserves and securities premium account or one hundred percent (100%) of its free reserves and securities premium account, whichever is more.

By this proposal, it is proposed to pass enabling resolution authorizing board of directors or any of its committee of the company to make investment or give loan, guarantee or provide security upto INR 100 Crores (Indian Rupees One Hundred Crore Only) at any point of time which includes a sum of INR 50 crores for which approval was already taken from Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their directorships and shareholding in the bodies corporate in which Loans / Investments / Guarantee / Securities may be made pursuant to this Special Resolution.

Your Board recommends passing of the resolution as set out at Item No. 7 as a Special Resolution.

Item No. 8

Pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013, the Board of Directors shall not except with the approval of the Company in General Meeting, borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

In view of the business expansion, growing operations and the need for credit requirement, it is now proposed to obtain the permission of the members to approve the borrowing limits upto INR 100 Crores (Indian Rupees One Hundred Crore only) which includes a sum of INR 50 crores for which approval was already taken from Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their directorships and shareholding in the bodies corporate in which Loans / Investments / Guarantee / Securities may be made pursuant to this Special Resolution.

Your Board recommends passing of the resolution as set out at Item No. 8 as a Special Resolution.

Item No. 9

Pursuant to the provisions of section 180 (1) (a) of the Companies Act, 2013 the Company requires consent of the shareholders to be obtained by passing special resolution for the purpose of mortgaging / creating charges on the properties of the Company to secure the loans availed by the Company.

By this proposal the approval of the shareholders is sought for mortgaging/creating charge on the assets of the Company to secure the loans availed by the Company up to a limit of INR 100 Crores (Indian Rupees One Hundred Crore only) which includes a sum of INR 50 crores for which approval was already taken from Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their directorships and shareholding in the bodies corporate in which Loans / Investments / Guarantee / Securities may be made pursuant to this Special Resolution.

Your Board recommends passing of the resolution as set out at Item No. 9 as a Special Resolution.

For and on Behalf of the Board of Directors

Place: Hyderabad
Date: 27th Aug, 2018

**Sd/-
K. Krishnam Raju
Executive Chairman (DIN 00874650)**



**Form No. MGT-11
PROXY FORM**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]**

CIN	L85110TG1996PLC099198
Name of the company	DR HABEEBULLAH LIFE SCIENCES LIMITED
Venue of AGM (Registered office)	2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajendra Nagar Mandal, Hyderabad – 500048, Telangana, India
Date & Time	Friday, 28th September, 2018 at 10.30 AM

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No. /Client Id	
DP ID*	
No. of Shares held	

* Applicable for investors holding Shares in electronic form

I/We, being the member (s) of _____ Shares of the above named company, hereby appoint:

1. _____ residing _____ having E-mail Id _____
_____ or failing him / her

2. _____ residing _____ having E-mail Id _____
_____ or failing him / her

3. _____ residing _____ having E-mail Id _____
_____ or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on the Friday, 28th September, 2018 at 10.30 AM at Registered Office of the Company at 2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajendra Nagar Mandal, Hyderabad – 500048, Telangana State, India and at any adjournment thereof in respect of such resolutions as are indicated below:

RESL. NO.	RESOLUTIONS	(Please mention No. of Shares)	
		FOR	AGAINST
1	To adopt Standalone and Consolidated Financial Statements of the Company including Report of Board of Directors and Auditors for FY 2017-18		
2	To re-appoint of Dr. Mohammed Aejaaz Habeeb as Director		
3	Appointment M/s. MSKA & Associates., Chartered Accountants as Statutory Auditors of the Company		
4	Maintaining and keeping the Company's registers required to be maintained under Section 88 of the Companies Act, 2013 and copies of Annual Returns filed under Section 92 of the Companies Act, 2013 or any one or more of them, at a place other than Company's Registered Office		
5	Approval for DRHLSL Employees Stock Option Plan 2018 for Employees of the Company		
6	DRHLSL Employee Stock Option Scheme - 2018 to the Employees of Subsidiary Company		
7	To authorize Board of Directors to make Investment under Section 186 of the Companies Act, 2013		
8	To Borrow Money(ies) for the purpose of business of the Company and grant powers to the Board		
9	Creation of Charges on the Movable and Immovable Properties of the Company, both present and future, in respect of Borrowings		

Please put a tick mark (3) in the appropriate column against the resolution indicated in the box. If a member leaves the "For" or "Against" column blank against the Resolution, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signed this _____ day of _____ 2018

Affix revenue stamp of Rupee One

Signature of the Member

Signature of the Proxy holder(s)

Notes:

1. The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders Seniority shall be determined by the order in which the names stand in the Register of Members
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.



ATTENDANCE SLIP

CIN	L85110TG1996PLC099198
Name of the company	DR HABEEBULLAH LIFE SCIENCES LIMITED
Venue of AGM (Registered office)	2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajendra Nagar Mandal, Hyderabad – 500048, Telangana, India
Date & Time	Friday, 28th September, 2018 at 10.30 AM

Name & Registered Address of the Member(s) / Proxy	
E-mail	
Folio No / DP ID-Client ID No *	
Number of Shares held	

*Applicable for investors holding shares in Electronic form.

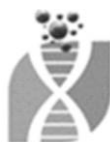
I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 22nd Annual General Meeting of the Company, to be held on the Friday, 28th September, 2018 at 10.30 AM at Registered Office of the Company at 2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajendra Nagar Mandal, Hyderabad – 500048, Telangana State, India.

Name of Member / Proxy
(IN BLOCK LETTERS)

Signature of the Member / Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

**FORM NO. MGT-12 - POLLING PAPER**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

CIN	L85110TG1996PLC099198
Name of the company	DR HABEEBULLAH LIFE SCIENCES LIMITED
Venue of AGM (Registered office)	2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajendra Nagar Mandal, Hyderabad – 500048, Telangana, India
Date & Time	Friday, 28th September, 2018 at 10.30 AM

BALLOT PAPER

S No	Particulars	Details
1	Name of the First Named Shareholder (In Block letters)	
2	Postal address	
3	Registered folio No. / Client ID No.	
4	Class of Share	Equity Shares

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

S No	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
ORDINARY BUSINESS:				
1	To adopt Standalone and Consolidated Financial Statements of the Company including Report of Board of Directors and Auditors for FY 2017-18			
2	To re-appoint of Dr. Mohammed AejaZHabeeb as Director			
3	Appointment M/s. MSKA & Associates., Chartered Accountants as Statutory Auditors of the Company			
SPECIAL BUSINESS:				
4	Maintaining and keeping the Company's registers required to be maintained under Section 88 of the Companies Act, 2013 and copies of Annual Returns filed under Section 92 of the Companies Act, 2013 or any one or more of them, at a place other than Company's Registered Office			
5	Approval for DRHLSL Employees Stock Option Plan 2018 for Employees of the Company			
6	DRHLSL Employee Stock Option Scheme - 2018 to the Employees of Subsidiary Company			
7	To authorize Board of Directors to enhance the Investment under Section 186 of the Companies Act, 2013			
8	To Borrow Money(les) for the purpose of business of the Company and grant powers to the Board			
9	Creation of Charges on the Movable and Immovable Properties of the Company, both present and future, in respect of Borrowings			

Place: Hyderabad

Date:

(Signature of the shareholder)





If undelivered please return to :

DR HABEEBULLAH LIFE SCIENCES LIMITED

(Formerly Known as PC Products India Limited)

Regd Off: 2-5-36/CLRD/1, Survey No. 36,

Chintalmet X Roads, Upperpally, Attapur,

Rajendra Nagar Mandal, Hyderabad – 500048,

Telangana State, India

CIN No: L85110TG1996PLC099198

Contact No: +91 - 90300 57370, 040 - 2970 3333

E-mail: info@drhsl.com

Website: www.drhsl.com