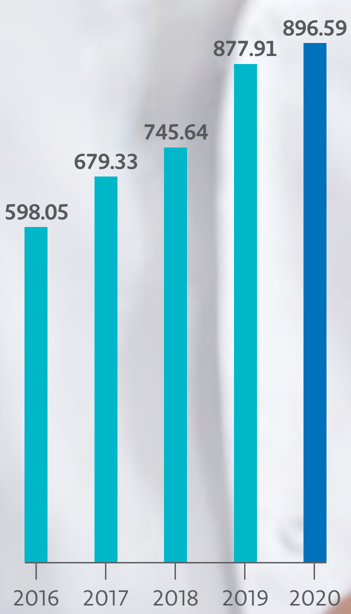
BSV

BRINGING LIFE TO LIFE

ANNUAL REPORT 2019-20

FINANCIAL HIGHLIGHTS

YEAR WISE GROWTH IN REVENUE)
Amount in INR (crores)



49.90%
GROWTH
OVER 5 YEARS

Our belief in 'Bringing life to life' is anchored to a passion that has made us preserve, protect and enhance quality of life.

For over 4 decades now, we at Bharat Serums and Vaccines Ltd. (BSVL) have used our scientific resources to develop a range of biological, biotech and pharmaceutical products. Today, as we influence patient outcomes in the therapeutic areas of Women's health and Critical Care and IUI-IVF, we have the privilege of being a partner of choice.

CONTENTS

CHIEF FINANCIAL OFFICER

Mr. Anil Damle

COMPANY SECRETARY

Mr. Charudatta Samant

STATUTORY AUDITORS

Deloitte Hoskins & Sells LLP

Indiabulls Finsnce Center
Tower 3, 27th - 32nd Floor,
Senapati Bapt Marg,
Elphinstone Road (West)
Mumbai - 4000 013

COST AUDITOR

M/s. Hemant Shah & Associates

SECRETARIAL AUDITOR

M/s. JHR & Associates

BANKERS

EXIM Bank

IDBI Bank Limited

Bank of Baroda

DBS Bank Limited

Ratnakar Bank Limited

Axis Bank Limited

REGISTERED OFFICE

17th Floor, Hoechst House,
Nariman Point,
Mumbai - 400 021.

CORPORATE OFFICE

3rd Floor, Liberty Tower,
Plot K-1 0, Behind Reliable Plaza,
Kalwa Industrial Estate, Airoli,
Navi Mumbai - 400 708

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Pvt. Limited,
C-13, Pannalal Silk Mills
Compound, L.B.S. Marg,
Bhandup (West),
Mumbai - 400 078.

PLANT LOCATIONS

AMBERNATH FACTORY

Plot No. K-27, Anand Nagar,
Additional M.I.D.C.
Ambernath - East
Pin- 421 501.

THANE FACTORY

Plot No. A371-372,
Road 27,
Wagle Industrial Estate,
Thane - 400 604.

R&D CENTRE

3rd Floor, Liberty Tower,
Plot K-10, Behind Reliable Plaza,
Kalwa Industrial Estate,
Airoli, Navi Mumbai - 400 708.

LEADERSHIP TEAM

MR. BHARAT V. DAFTARY
Chairman and Director (Non- Executive)

DR. GAUTAM DAFTARY
Vice-Chairman and Director (Non- Executive)

MR. SANJIV NAVANGUL
Managing Director and CEO

MR. PANKAJ PATWARI
Non-Executive Director

MS. SHWETA JALAN
Non-Executive Director

MR. BHASKAR IYER
Independent Director

MR. JAYESH MERCHANT
Independent Director

MR. ABHIJIT MUKHERJEE
Independent Director

EXECUTIVE COMMITTEE

MR. SANJIV NAVANGUL
Managing Director and CEO

MR. RAHUL ADAKMOL
COO-International Operations & Business Development

MR. ARUN CHANDRAN
VP - Transformation Office

MR. ANIL DAMLE
Sr. VP - Corporate Projects and Supply Chain

MR. ANJAN GHOSH
Sr. President - Commercial Excellence & Strategy

DR. JABY JACOB
Sr. President - Research & Development

MR. NILESH KULKARNI
Chief Human Resource Officer

MR. CHIRAG MEHTA
Chief Financial Officer

DR. SWASHRAYA SHAH
Chief Medical Officer

MR. VISHSWANATH SWARUP
COO, India Business

OUR VALUES

We want our people to demonstrate the right set of behaviours that complement our vision

Desired Behaviour

TRANSPARENCY

- Honest communication
- 'Enterprise View' in communication
- Ongoing conversations

AGILITY

- Resource prioritization
- Reduced complexity
- Risk taking
- Early engagement

ACCOUNTABILITY

- Performance dirven culture
- Explain the why
- Team ownership of KRAs

COLLABORATION

- Shared goals
- Cross functional cooperation
- Proactively asking for support

To be a leading biopharmaceutical company driven by people and science to set benchmarks in patient outcomes in Women's Health, Critical Care and Emergency Medicine.

- BSV Vision

CHAIRMAN'S LETTER

Dear Shareholders,

The world is experiencing unprecedented times due to the COVID-19 global pandemic. Since the outbreak in December 2019 , millions of people across the globe have been affected. While 4% of those affected have lost their lives, we can take solace in the fact that 56% of those affected have recovered.

Apart from the tragic human loss, the pandemic has impacted the global economy too. Against this backdrop, our consolidated revenue for FY19-20 grew by 3.6% (actual figure of INR 3219 Lakhs) and I'm happy to share that our wholly owned subsidiary in the Philippines registered a commendable growth of 69% in INR terms.

I am also happy to share that Advent International, one of the largest and most experienced global private equity investors, has signed a definitive agreement with our company on 18th November 2019 to acquire a controlling stake subject to the fulfilment of the agreed conditions. Advent has significant experience in the healthcare industry globally. Over the past 29 years, Advent has invested or committed US$9 billion in 48 companies in the sector, including 19 businesses involved in pharmaceutical R&D, production and distribution.

Advent's vast experience in pharmaceuticals and their global platforms will help us further strengthen our leadership position in India; not only in the area of women's health, critical care and emergency medicine. but also, by expanding our presence in select large emerging markets around the world.

BSVL has consistently enjoyed a reputation through our products in the Gynecology and Critical Care segments, with many firsts to our credit. Despite the COVID-19 outbreak, we continue to be at leadership position in the Indian market with respect to our key products.

We have ramped up R&D investment to firm up a position of strength in our key therapeutic areas.

In the financial year that ended, we have invested 2.5% of our total consolidated revenue in R&D.

In FY 19-20, we have gained approvals from EU GMP-HALMED Croatia and MOH- GABON. The EU GMP approval is an important milestone achieved - it will go a long way in exploring expansion opportunities in European countries.

In the year, we have received 40 new registrations.

Last, but not the least, Guided by values of Transparency, Agility, Accountability and Collaboration, we wish to continue focusing on patient outcomes through the pandemic too.

I would like to conclude with a heartfelt thanks to all our stakeholders for their continued support which is vital to the pursuit of sustainable growth and BSVL's purpose of ***Bringing Life to Life.***

Best Wishes,

Bharat Daftary
Chairman and Managing Director

Date: August 4, 2020

GYNAECOLOGY

The branch of physiology and medicine which deals with the functions and diseases specific to women and girls, especially those affecting the reproductive system.

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL PHARMA OUTLOOK

Global prescription drug sales are expected to grow at an annual compound rate of 6.9% from FY2019 to 2024 to reach US$ 1.18 trillion in 2024, driven primarily by an accelerated and rising number of drug approvals, growing portion of sales from oncology therapy and a potential of additional US$109 bn from orphan drug sales. Challenges to growth will include uncertainty regarding drugs pricing in world's largest market, the United States, competition from generics & biosimilars as also US$198 bn sales loss due to patent expiries between 2019-2024. Investment in R&D, as % to sales, is projected to be 18% in 2024 (3.6% lower from 21.6% in 2018)

Biotechnology products have been steadily contributing to the sales growth and are predicted to contribute to 31% of the global pharmaceutical market by 2024. Driven by gene and cell therapy segment, Orphan drug sector is expected to double and account for 20% of the world prescription sales by 2024

On therapy front, Oncology leads therapy areas in sales and is expected to have 20% share of worldwide market by 2024 with CAGR of 11.4%. Immunosuppressants are expected to have the largest CAGR of 16.9% with market share of 3% by 2024. Dermatology is expected to have second highest CAGR of 12.6% between 2019 and 2024. Anti-diabetics and Vaccines are expected to show positive growth in market share from 2019 to 2024.

(*Source:Deloitte Global Lifesciences Outlook*)

INDIAN PHARMA MARKET OUTLOOK

Indian Pharmaceutical Market (IPM) registered sales of INR 1,43,738 Crores and a YOY growth of 9.8% according to AWACS MAT MAR 2020. The market grew at a CAGR of 8.4% over last five years.

Major growth drivers have been the Price (5.4%) while volume accounts for 2% and New introductions accounts for 2.4% .... together the total growth is around 9.8%

Pharmaceuticals export including bulk drugs, intermediates, drug formulations, biologicals, Ayush and herbal products and surgical from India stood at US$ 20.70 billion in FY20.

Sales in 2019-20 (April-March) were ₹1.44 trillion, up 9.8% from the previous year

Indian pharmaceutical sector is expected to grow to US$ 100 billion, while medical device market is expected to grow US$ 25 billion by 2025.

India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics is expected grow at an average growth rate of around 30 per cent a y-o-y to reach US$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62% of the total revenues at Rs 12,600 crore (US$ 1.89 billion).

Growth drivers include population growth, increasing affordability, enhanced accessibility and rising acceptability.

Indian companies received 300 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30% (by volume) and about 10% (value) in the US$ 70-80 billion US generics market.

R&D spend increased as % to sales from 5.3% in FY2012 to 8.5% in FY2018 and is expected to be at similar level in FY2019 and FY2020.

Medicine spending in India is expected to increase at 9-12% CAGR between 2018-22 to US$ 26-30 billion, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance, among others.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards fast growing chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers. In terms of geographies, significant growth is expected to come from Metro and Tier-I markets, driven by rapid urbanisation and greater economic development. Driven by increased penetration, rural markets are expected to grow the fastest.

(Source: Indian Pharma 2020 Mckinsey & Co.; IBEF Report)

BUSINESS REVIEW

We ended FY 19-20 at a consolidated revenue of INR917 Cr , at ~ 3.6% YoY growth vs FY 18-19 driven mainly by RoW sales which grew by ~13%. Domestic trade business achieved sales of INR443 Cr with a degrowth of ~ 3.7% mainly due to de-growth or meagre growth in IVF products such as Humog and FSH. Domestic institution business achieved sales of INR111Cr growing at 7% despite loss of tenders in ASVS & Equirab due to increased competition.

Within India , while Critical Care segment saw a degrowth of 8.8% driven mainly by low sales in ASVS & Equirab, The reason for below par performance was the he coronavirus (COVID-19) epidemic and a nation-wide lockdown

disrupted distribution of drugs and prescription medicines in the month March 20,

RoW achieved sales of INR 258Cr growing at ~13%, driven by Philippines, Russia, FWA and Kenya; growth was driven by critical care products like Ampholip & PolyMxb. Your company's subsidiary BSV Bioscience, GmbH achieved third party sales of INR73Crs and has declined by ~5% in sales vs FY 18-19.

Going ahead, your company is looking at improving and sustaining profitability by focusing on a higher growth in the domestic and exports business. On the domestic front, the drivers of revenue growth would be restructuring of existing divisions, systematic and focused approach to promotion of identified brands, entry into new institutions and new product registrations in existing institutions.

On the exports front, the revenue growth drivers would be new product registrations in various countries and focus on select export markets for intensive promotion of products. In the year we received 40 new registrations. Your company is poised to benefit from higher healthcare spend in developing markets, particularly Asia and the Middle East, which would continue to be major contributor to the spending in life sciences in the times to come.

Your Company's subsidiary BSV Bioscience Philippines, Inc. sales grew from INR 3,546 Lakhs in FY18-19 to INR 5,933 Lakhs in the current year registering a growth of ~67%.

Your company's subsidiary BSV Bioscience, GmbH grew from 13,138 Lakhs in FY18-19 to INR 14,194 in FY 19-20 registering a growth of 8% in INR terms backed with 26% growth in sales to BSV India.

Indian companies received 300 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30% (by volume) and about 10% (value) in the US$ 70-80 billion US generics market.

R&D spend increased as % to sales from 5.3% in FY2012 to 8.5% in FY2018 and is expected to be at similar level in FY2019 and FY2020.

FINANCIAL PERFORMANCE REVIEW

Your company recorded total Revenue, at a consolidated level, of INR 91,701 Lakhs (PY INR 88,482 Lakhs) with an EBIDTA (Earnings before depreciation, tax and amortization) of INR 12,330 Lakhs (PY INR 18,656 Lakhs) registering a growth of approx. 3.6% in revenue and (-) 33.9% in EBIDTA; at operating level, however, EBIDTA growth is (-)9% and the remaining gap is attributable to one-off items.

Advent International has signed a definitive agreement with the company on 18th November 2019 to acquire a controlling stake in our company subject to fulfilment of the agreed conditions.

On Standalone basis, total Revenue stood at INR 82,152 Lakhs (PY INR 79,628 Lakhs) with an EBIDTA (Earnings before depreciation, tax and amortization) of INR 11,655 Lakhs (PY INR 17,298 Lakhs) registering a growth of approx. 3.2% in revenue and (-) 32.6% in EBIDTA.

INTERNAL CONTROL SYSTEM

The Company has proper and adequate internal controls commensurate with the size of its operations and which are designed to assist in identification and management of risks. These controls ensure integrity of accounting, proper authorization, accurate recording and reporting of all the transactions in accordance with the applicable accounting standards, compliance with the organizational policies, practices and various governmental regulations and statutes. The internal control system also monitors and acts as control against any unauthorized use or disposition of assets, thus safeguarding the company's properties & ensures proper segregation of duties.

With a view to further strengthen these controls and to ensure their continued effectiveness, various areas are identified by the management for audit. During the year under review, the company appointed an Independent internal Auditor to conduct audit in the areas of Freight Operations Audit (Domestic, Inward & Export, Local), Order To Cash – Export & Export Benefits management, Purchase to Pay Process – Raw Materials, Plant Utility Expenses Review & GST review. Based on its recommendations the internal controls were strengthened further.

For and on behalf of the Board

Bharat Daftary
Chairman and Managing Director

Place: Mumbai

Date: August 4, 2020

ASSISTED REPRODUCTIVE TECHNOLOGY

Assisted reproductive technology (ART) are medical procedures used primarily to address infertility. It includes procedures such as in-vitro fertilization. It may include intracytoplasmic sperm injection (ICSI), cryopreservation of gametes or embryos and/or may involve the use of fertility medication.

BOARD'S REPORT AS ON MARCH 31, 2020

To,

The Members,

Bharat Serums & Vaccines Limited.

Your Directors take pleasure in presenting the 47th Board Report of the Company together with Audited Financial Statements for the year ended March 31, 2020.

FINANCIAL PERFORMANCE.

The financial performance of your Company for the year ended March 31, 2020 is summarized below:

1. FINANCIAL SUMMARY OR HIGHLIGHTS/ PERFORMANCE OF THE COMPANY (STANDALONE)

On Standalone basis, total income of the Company was INR. 82,152 lakhs (INR. 79,628lakhs) and after deducting total expenses of INR. 71,802 lakhs (INR. 62,330 lakhs), the operating profit before finance costs, depreciation and tax for the period was INR. 10,350 lakhs (INR. 17,298 lakhs) and the profit before tax was INR. 7,233 lakhs (INR. 14,124 lakhs). The operations during the period resulted in Total Comprehensive Income {net profit (after tax) including other comprehensive income} of INR. 4,672 lakhs (INR. 9,725 lakhs).

2. FINANCIAL SUMMARY OR HIGHLIGHTS/ PERFORMANCE OF THE COMPANY (CONSOLIDATED)

On Consolidated basis, total income of the Company was INR 91,701 lakhs (INR. 88,482lakhs) and after deducting total expenses of INR. 80,235 lakhs (INR. 69,771 lakhs), the operating profit before finance costs, depreciation and tax for the period was INR. 11,467 lakhs (INR. 18,711 lakhs) and the profit before tax was INR 7,813 lakhs (INR. 15,063 lakhs). The operations during the period resulted in Total Comprehensive Income {net profit (after tax) including other comprehensive income} of INR. 4,171 lakhs (INR. 10,811 lakhs).

3. STATE OF AFFAIRS OF COMPANY

Your company belief in 'Bringing life to life' is anchored to a passion that has made us preserve, protect and enhance quality of life.

For over four decades now, your company has used its scientific resources to develop a range of biological, biotech and pharmaceutical products. Today, your company influence patient outcomes in the therapeutic areas of Women's health and Critical Care and IUI-IVF. Your company have the privilege of being a partner of choice.

4. COVID-19: (IMPACT OF COVID-19 ON COMPANY'S PERFORMANCE)

December 2019 to January 2020 - Impact of COVID 19 started, Wuhan and key Chinese API districts have initiated lockdown leading to risk in RM availability.

March 2020 - PAN India lockdown started, and the economic activities were halted; Many other countries also went into lockdown.

May 2020 - Country started opening up in phased manner, but the key cities were under serious threat of COVID and hence economic activities continued to be slow.

Today - 2nd phase of lockdown is in place in few pockets/hotspots.

ART segment and domestic business materially impacted:

- IVF clinics re-started operations very recently.
- CC/EM down as hospitals not functional / delay in procedures.

Exports impacted from lockdown, logistics and continued economic impact.

DIVIDEND

A. EQUITY SHARES

Considering the current pandemic situation that has adversely impacted the overall business, and to sustain long term growth objectives of the Company, it is recommended not to declare any dividend on Equity Shares of the Company.

B. PREFERENCE SHARES

In accordance with the terms of Preference shares the company has to pay agreed coupon rate (dividend) for the financial year ended March 31, 2020 and such dividend payout is subject to the approval of members at the ensuing Annual General Meeting.

a. 0.01% per Compulsorily Convertible Cumulative Preference Shares Series I (CCPS-I) on each CCPS–I on pro-rata basis coupon rate (dividend) to be paid on 7,14,119 CCPS – I of INR. 5/- each, amounting to INR. 357.06;

b. 0.01% per Compulsorily Convertible Cumulative Preference Shares Series II (CCPS-II) on each CCPS–II on pro-rata basis coupon rate (dividend) to be paid on 10 CCPS – II of INR. 5/- each, amounting to INR. 0.01;

c. 0.01% per Compulsorily Convertible Cumulative Preference Shares Series III (CCPS-III) on each CCPS–III on pro-rata basis coupon rate (dividend) to be paid on 9,19,243 CCPS – III of INR. 5/- each, amounting to INR. 459.62;

d. 0.01% per Compulsorily Convertible Cumulative Preference Shares Series IV (CCPS-IV) on each CCPS–IV on pro-rata basis coupon rate (dividend) to be paid on 3,69,135 CCPS – IV of INR. 5/- each, amounting to INR. 184.57;

e. 0.001% per Compulsorily Convertible Cumulative Preference Shares (CCPS) on each CCPS on pro-rata basis coupon rate (dividend) to be paid on 8,17,197 CCPS of INR. 5/- each, amounting to INR. 40.86;

The Register of Members and Share Transfer Books shall remain closed on August 25, 2020 for payment of Dividend for the financial year ended March 31, 2020 and the Annual General Meeting. The dividend will be paid to members whose names appear in the Register of Members as on book closure date i.e. August 25, 2020 and in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by Depository Participant, as beneficial owners as on that date.

Dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accumulate.

TRANSFER TO RESERVES.

As per the provisions of the Companies Act, 2013, it is not mandatory to transfer any sum to General Reserve of the Company before deceleration of any dividend in any Financial year. However, your Directors propose to keep the entire retained earnings in Profit & Loss account.

SHARE CAPITAL.

The paid-up share capital of the Company as on March 31, 2020 was INR. 10,42,08,705/- consisting of: -

a. 1,80,21,937 Equity Shares of INR. 5/- each;

b. 100 Differential Voting Rights Equity Shares (DVRS) of INR. 5/- each;

c. 7,14,119, 0.01% Compulsorily Convertible Cumulative Preference Shares Series I (CCPS-I) of INR. 5/- each;

d. 10, 0.01% Compulsorily Convertible Cumulative Preference Shares Series II (CCPS-II) of INR. 5/- each;

e. 9,19,243, 0.01% Compulsorily Convertible Cumulative Preference Shares Series III (CCPS-III) of INR. 5/- each;

f. 3,69,135, 0.01% Compulsorily Convertible Cumulative Preference Shares Series IV (CCPS-IV) of INR. 5/- each;

g. 8,17,197 0.001% Convertible Cumulative Preference shares (CCPS) of INR. 5/- each.

REDEMPTION OF NON-CONVERTIBLE NON-CUMULATIVE REDEEMABLE PREFERENCE SHARES (NCNCRPS).

During the financial year 2019-2020, 1,97,69,917 0.01% Non-Convertible Non-Cumulative Redeemable Preference shares (NCNCRPS) of Face Value INR. 5/- issued in 2018-19 pursuant to the terms & conditions of the scheme of merger were redeemed at the fair market value of INR. 1.10 per share and same were extinguished on January 30, 2020.

PRIVATE PLACEMENT.

During the financial year 2019-2020, 8,17,197 0.001% Convertible Cumulative Preference shares (CCPS) of Face Value INR. 5/- each at an issue price of INR.1893.9808 were issued and allotted under Private Placement in accordance with the provision of section 62(1) (c), section 42 and Rule 13 of the Companies (Share capital and Debentures) Rules 2014 of the companies (Prospectus and Allotment of securities Rules 2014 and any other applicable Rules. Accordingly, the issued subscribed and paid up preference share capital of the company as on March 31, 2020 stood at INR. 1.41 crore divided into 28,19,704 Preference shares of INR. 5/- each as against INR. 1.00 crore divided into 20,02,507 preference shares of INR. 5/- each as on March 31, 2020.

BUY BACK OF EUQITY SHARES OF THE COMPANY.

During the financial year 2019-2020 company bought back its Equity shares. Buy-back of Equity Shares was in line with the practice of returning 80 to 100 percent free cash flow to shareholders. The company completed its buy-back of 8,17,197 equity shares at a price of INR. 1536.1251 per equity share through tender offer in accordance with the provision of section 68 to 70 for an aggregate consideration of INR. 125.53 crores. The offer size of the buy-back was 22 percent of an aggregate paid-up equity share capital and free reserves of the company and represented 4.34 percent of the total issued and paid-up equity share capital of the Company. The buy-back process was completed, and the shares were extinguished on February 14, 2020.

SUBSIDIARY/ JOINT VENTURE & ASSOCIATE COMPANY.

Your Company has Four wholly owned subsidiaries, namely: -

(i) BSV Biosciences, Inc., formed in the State of California, United States of America;

(ii) BSV Bioscience GmbH., formed in Germany;

(iii) BSV Bioscience Philippines Inc., formed in Philippines; and

(iv) BSVLife Private Limited formed in India.

Other than as stated above, no other Subsidiary Companies were formed or divested during the year under review. In compliance with Section 129 of the Act, a statement containing requisite details including financial highlights of the operations of the aforesaid Subsidiary / Joint Venture / Associate Company is annexed in ANNEXURE – II to this report.

Financials are in accordance with Accounting Standard AS 21 – Consolidated Financial Statements read with Accounting Standard AS 23 – Accounting for Investments in Associates, and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

CORPORATE GOVERNANCE

Your Company has been constantly reassessing and benchmarking itself with well-established Corporate Governance practices besides strictly complying with applicable provisions of Companies Act, 2013. A detailed report on Corporate Governance & Management's Discussion and Analysis for the year under review, is presented in separate sections forming part of Annual Report.

Pursuant to the requirements of Companies Act, 2013 your Board has adopted policies such as Corporate Social Responsibility Policy, Risk Management Policy, Remuneration Policy, Anti Sexual Harassment Policy, Whistle Blower and Vigil Mechanism Policy. These policies are available on the website of the Company and can be viewed on www.bharatserums.com.

The Audit Committee of the Board has been vested with the powers and functions relating to Risk Management which inter alia includes (a) review of risk management policies and business processes to ensure that the business processes adopted and transactions entered into by the Company are designed to identify and mitigate potential risk; (b) laying down procedures relating to risk assessment and minimization; and (c) formulation, implementation and monitoring of the risk management plan.

CORPORATE SOCIAL RESPONSIBILITY.

The Corporate Social Responsibility (CSR) Committee of the Board of Directors of your Company has, pursuant to provisions of the Companies Act, 2013 and rules thereunder has approved a CSR Policy. Your Company shall also undertake the other CSR activities Listed in Schedule VII of the Companies Act, 2013. The details of CSR activities undertaken during the period, by the Company is annexed to this report as per ANNEXURE - IV.

DIRECTORS AND KEY MANAGERIAL PERSONNEL.

Cessation:

During the year the following directors resigned as Directors of the company w.e.f February 7, 2020.

Mr. Ajeet Singh Karan
Independent Director.

Mr. Suketu Shah
Independent Director.

Mr. Manu Daftary
Independent Director.

Mr. Siddharth Daftary
Whole time Director.

Mr. Shahzaad Dalal
Independent Director.

Mr. Suresh Goklaney
Independent Director.

Ms. Nafeesa Moloobhoy
Independent Director.

Mr. Sunny Sharma
Nominee Director.

Mr. Nitin Deshmukh
Nominee Director.

Mr. Bharat Daftary and Dr. Gautam Daftary stepped down from the position of Managing Director and became Non-executive director w.e.f. February 7, 2020.

The Board places on record its appreciation for the valuable contribution made by the directors and for the services rendered by them during the long association with the Company. There were no other changes in Directors and Key Managerial Personnel during the year.

APPOINTMENT

During the year the company on the recommendation of Nomination and Remuneration Committee appointed Mr. Abhijit Mukherjee, Mr. Bhaskar Iyer and Mr. Jayesh Merchant as Independent Directors in the Extra Ordinary General Meeting held on February 7, 2020 for a period of 5 (Five) years w.e.f. February 7, 2020, who are not liable to retire by rotation.

Ms. Shweta Jalan and Mr. Pankaj Patwari were appointed as Additional directors w.e.f. February 7, 2020 whose appointment are subject to the members approval in the ensuing Annual General Meeting and who are liable to retire by rotation

Your Board comprises of eight directors, which consists of one Managing Director and seven Non-Executive Directors out of which three directors are Independent Directors. All directors including Independent Directors have provided their declarations both at the time of appointment and annually. Independent Directors have also confirmed that do they meet the criteria of Independence as prescribed under Companies Act, 2013.

In compliance with the requirements of Section 203 of the Companies Act, 2013, Mr. Sanjiv Navangul Managing Director & CEO, Mr. Anil Damle, Chief Financial Officer and Mr. Charudatta Samant, GM- Legal & Company Secretary are Key Managerial personnel of the Company.

APPOINTMENT AND DECLARATION OF INDEPENDENT DIRECTORS.

All the Independent Directors have declared and affirmed their compliance with the independence criteria as mentioned in Section 149 (6) of the Companies Act, 2013 in respect of their position as an "Independent Director" of the Company.

AUDIT & AUDITORS REPORT

1. STATUTORY AUDITOR.

Deloitte Haskins & Sells LLP, Chartered Accountants (FRN NO.: 117366W/W-100018), are Statutory Auditors of the Company, for a period of five years from the conclusion of 45th Annual General Meeting (AGM) of the Company till the conclusion of the 50th Annual General Meeting (for the Financial Year from 2018 – 2023). Company has however obtained confirmation from the said Auditors about their eligibility to continue to hold the office during the current financial year.

The Statutory Auditor's report does not contain any qualifications, reservations, or adverse remarks or disclaimer.

2. COST AUDITOR.

The Board of Directors has appointed M/s Hemant Shah & Associates, Cost Accountants, Mumbai, as Cost Auditor of the Company having Firm Registration No. 000394. for F.Y. 2020-21. The Company is seeking the ratification of the Shareholders for the remuneration to be paid to the cost auditors vide Resolution No. 4 of the Notice of the ensuing Annual General Meeting.

3. SECRETARIAL AUDITOR

During the year, Secretarial Audit was carried out by M/s JHR & Associates – Practicing Company Secretaries, in compliance with Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report submitted by the Secretarial Auditor M/s JHR & Associates, Practicing Company Secretary, Mumbai, in the prescribed form MR-3 is attached as "Annexure – III" and forms part of this report. Observations and suggestions of the Secretarial Auditor have been considered by the management of the company.

MEETINGS & COMMITTEE.

1. BOARD MEETING CHART.

During the year, Twelve Board meetings were held on the following dates: -

May 2, 2019, July 30, 2019, September 25, 2019, October 19, 2019, November 14, 2019, December 6, 2019, January 24, 2020, January 28, 2020, February 7, 2020 @ 3:00 PM, February 7, 2020 @ 4:00 PM & February 7, 2020 @ 4:30 PM. Details of attendance of the meeting are given in the Corporate Governance Report. The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

2. AUDIT COMMITTEE MEETING CHART.

During the year, Seven Audit Committee meetings were held on the following dates:

May 2, 2019, July 30, 2019, October 19, 2019, November 14, 2019, December 6, 2019, January 24, 2020 and January 28, 2020 details of attendance are given in the Corporate Governance Report.

3. NOMINATION AND REMUNERATION COMMITTEE MEETING.

In compliance with the Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee of your Board had fixed various criteria for nominating a person on the Board which inter alia include desired size and composition of the Board, age limits, qualification / experience, areas of expertise and independence of individual. Your Company has also adopted a Remuneration Policy. The Copy of the Policy has been uploaded on the Company's Website at www.bharatserums.com.

During the financial year, one meeting of Nomination and Remuneration Committee was held on February 02, 2020, details of attendance is given in the Corporate Governance Report.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE MEETING.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure - IV of this Report in the format prescribed in the Companies (CSR Policy) Rules, 2014. The Policy is available on Company's website at www.bharatserums.com.

During the financial year, two Meetings of Corporate Social Responsibility Committee were held on July 30, 2019 & October 19, 2019, details of attendance is given in the Corporate Governance Report.

5. MEETING OF INDEPENDENT DIRECTORS PERFORMANCE REVIEW.

During the financial year meeting of Independent Directors was held details of which is given in the Corporate Governance Report.

6. MEETING OF RISK MANAGEMENT COMMITTEE.

The Company has set up the Risk Management Committee on February 7, 2020, wherein Mr. Sanjiv Navangul, Mr. Pankaj Patwari and Mr. Jayesh Merchant are the members of this Committee. There was no meeting scheduled or held till March 31, 2020.

7. MEETING OF SHAREHOLDERS COMMITTEE.

The Company has set up the Shareholders Committee on February 7, 2020, wherein Mr. Sanjiv Navangul and Mr. Bhaskar Iyer are the members of this Committee. There was no meeting scheduled or held till March 31, 2020.

8. PERFORMANCE EVALUATION OF BOARD AND ITS COMMITTEES:

In terms of the applicable provisions of the Act, Nomination and Remuneration Committee and the Board of Directors have approved a framework, which lays down a structured approach, guidelines and processes to be adopted for carrying out an evaluation of the performance of all the Directors, the Board as a whole and its Committees. The evaluation process has been separately explained in this Annual Report, as a part of the Report on Corporate Governance.

For the year under review, the Board carried out the evaluation of its own performance and that of its Committees and the individual Directors and the evaluation results, as collated and presented, were noted by the Board.

VIGIL MECHANISM / WHISTLE BLOWER POLICY.

As per Section 177 of the Companies Act, 2013, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Company's Code of conduct. This mechanism/Policy provides adequate safeguards to whistle blowers against reprisals or victimization. The Copy of the Policy has been uploaded on the Company's Website viz. www.bharatserums.com.

RISK MANAGEMENT POLICY.

Your Company has established a written Risk Management Policy. Board of Directors are overall responsible for identifying, evaluating and managing all significant risks faced by the Company and the Board of Directors are continuously ensuring efficient risk management and monitoring potential risks faced by the Company, internally as well as externally.

DISCLOSURES.

1. Particulars of loans, guarantees and investments under section 186:

Particulars of loans, guarantees and investments made by the Company required under Section 186 (4) of the Companies Act, 2013 are contained in Note No. 8, 9 & 10 to the Standalone Financial Statements.

2. Transactions with Related Parties.

In terms of the provisions of Section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 , all contracts/ arrangements/ transactions entered into by the Company with its related parties, during the year under review, were in the ordinary course of business of the Company and on an arm's length basis.

There were no material Related Party transactions during the year, therefore disclosure in Form AOC-2 is not required.

3. Deposits.

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits under Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014, was outstanding as on the date of the Balance Sheet. Outstanding amount of loan accepted by the Company from its directors as at March 31, 2020 is as mentioned below:

Mr. Bharat Vinod Daftary:
INR. 53,38,934

Dr. Gautam Vinod Daftary:
INR. 53,38,934

4. Extract of Annual Return.

The extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 is annexed to this report as ANNEXURE - V. The Annual Return is also available on the website of the Company and can be viewed on www.bharatserums.com.

5. Obligation of Company under, The Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013.

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year Company, has not received any Complaints of such harassment which required attention and to be dealt with, as per the procedure laid down in the Act and in line with Company policies. The Company has complied with provisions relating to the constitution of Internal Complaints Committee to redress complaints received on sexual harassment.

6. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:

During the period under review no significant and material commitments affecting the financial position of the Company have occurred between the financial year of the Company to which the financial statements relate and the date of the report.

7. **Details of significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.**

   During the period under review no significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

8. **Maintenance of Cost Records:**

   During the period under review cost records were made and maintained as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

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

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed to this report as ANNEXURE- I.

DIRECTORS' RESPONSIBILITY STATEMENT.

Pursuant to Section 134 of the Companies Act, 2013 ('the Act'), in relation to the Audited Financial Statements for the Financial Year 2019-2020, your Directors confirm that:

a. The Financial Statements of the Company comprising of the Balance Sheet as at March 31, 2020 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis following applicable accounting standards and that no material departures have been made from the same;

b. Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020, and, of the profit of the Company for the year ended on that date;

c. Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act, to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;

d. Requisite internal financial controls were laid down and that such financial controls are adequate and operating effectively; and

e. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

COMPLIANCE IN RESPECT OF SECRETARIAL STANDARDS.

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India have been duly complied with.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

No fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

PARTICULARS OF EMPLOYEES.

Requisite disclosures in terms of the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with statement showing names and other particulars of the employees drawing remuneration in excess of the limits prescribed under the said rules is annexed to this report as ANNEXURE - VI.

HUMAN RESOURCES:

The Directors express their appreciation for the contribution made by the employees during the year. The Human Resources have always been the Company's valuable asset and the Company's thrust area is to attract, develop and retain talent. The Company continues to operate the open culture and has maintained congenial work atmosphere and healthy industrial relations.

The total headcount of the Company as on March 31, 2020 was 1760.

INTERNAL FINANCIAL CONTROLS:

Company has adequate internal financial controls with respect to its financial statements. The Company believes that a strong internal control framework is very much essential and is part of good corporate governance practices. Company has in place well defined and adequate internal financial control framework commensurate with the size and complexity of its business. The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. There are no risks identified which may threaten existence of the company.

CAUTIONARY STATEMENT.

Statements in this Report and annexures to this Report which describes the Company's objectives, projects, estimates, expectations may contain "forward looking statements" within the meaning of applicable laws and regulations. The success in realizing these depends on various internal and external factors. The actual results may be different from what the Directors / Management envisage in terms of future performance and outlook.

ACKNOWLEDGEMENTS

Your Board takes this opportunity to place on record their appreciation for the dedication and commitment of employees shown at all levels that have contributed to the success of your Company. Your Directors also express their gratitude for the valuable support and co-operation received from the Central and State Governments including Ministry of Chemicals and Fertilizers, Ministry of Health and Family Welfare, Ministry of Human Resource Development and other stakeholders including Bankers, Financial Institutions, Investors, Service Providers as well as regulatory and government authorities.

	For and on behalf of the Board	**For and on behalf of the Board**
Place: Mumbai	Mr. Pankaj Patwari	Mr. Sanjiv Navangul
Date: August 4, 2020	Director	Managing Director & CEO

ANNEXURE INDEX

Annexure No.	Content
I.	Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo.
II.	Form AOC – 1
III.	MR-3.
IV.	Corporate Social Responsibility.
V.	MGT 9 – Extracts of Annual Return.
VI.	Particulars of Remuneration of Employees.

ANNEXURE - I

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

(The information required to be provided under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.)

Conservation of Energy		
i	Steps taken or impact on conservation of energy.	For energy conservation following steps taken to run utility with close monitoring of equipment's: -
		a. Running alternate small capacity systems during extra working hours;
		b. Running lower capacity utility equipment during non-operating hours;
		c. Operations of utility are done based on process requirement i.e. Numbers of chiller, AHU's Cooling system and other utility;
		d. Regular and timely preventive maintenance of cooling systems to increase efficiency of chillers leading to reduced chiller rating;
		e. Installation of VFD for some continuous running equipment's like Air compressor, AHU's etc. done which will lead to minimized electrical consumptions
		f. Equipment Efficiency Improved by maintaining Power factor of APFCR control panels to save energy;
		g. Installation of Building Management system done for HVAC to run system with controlled parameters;
		h. Phase wise replacement of some of the Electrical CFL fitting to LED fitting done to save energy.
		i. Proposal for usage of solar energy and savings related to the same due to cost differential worked out and provided for further approval, no Capex involved.
		j. Proposal for replacement of existing belt driven blowers with energy efficient EC drives in HVAC'S evaluated, saving proposal ready for discussions along with Capex involved.
ii	Steps taken by the Company for utilizing alternate sources of energy	a. Company working on feasibility to switched over from to Biodiesel to PNG (Piped Natural Gas).
		b. Proposal ready for utilization of solar energy as per surface area available for solar panels within the plant
		c. IEX and Captive power under evaluation.
iii	Capital investment on energy conservation equipment.	Upgradation of effluent treatment plant with MBR Technology is completed. It will save Electricity load as MBR Technology is filtration Technology

Technology Absorption		
i	The efforts made towards technology absorption.	a. Company made efforts towards the development of GnRh product (Luprodex 3.75 mg/11.25 mg/ 22.5 mg) by incorporation of Nutche filter and increment in batch size for all 3 range of Luprodex. b. ASVS Lyophilized by increment in batch size from 8823 units to 17000 units by development of Lyophilization cycle from 24 hours to 25 hours. c. Batch sizes of several liquid products increased in order to enact capacity enhancement and save costs on essential life saving drugs which also let to yield improvement. d. Pilot experiments on lowering the lyo cycle from 66 hrs to 30 hrs for capacity enhancement and lowering through put time.
ii	the benefits derived like product improvement, cost reduction, product development or import substitution.	a. With process optimization, the Company has achieved significant improvement in yields of Equine antibodies range of Products; b. With better process controls/ batch size standardization I some liquid products, the company has achieved substantial yield improvement and cost savings; c. Upgradation of QMS system with EU GMP regulations for entire plant; d. 21CFR Part 11 compliance for building management system with server redundancy for Unit 1 Production A and QC department; e. IC DAS 2.1 online temperature monitoring systems for incubators, stability chambers and cold rooms with alarm excursion levels in QC department; f. Online temperature monitoring systems for product storage area (RM store, central packaging & FGS); g. Automated CIP SIP skid for cleaning of equipment and product pipelines for Unit 1 production A; h. Upgradation of processing system for spray drier compliance to 21CFR Part 11 in Unit 1 Production A. i. Installation of microbial identification systems (Vitek -2) in QC department; j. Installation of desiccant air drier compliance to ISO 8573 class 2; k. Installation of new 200 KL water storage tank in Utility department to ensure enough water flow due to increase of production demand and new production lines become functional. l. Reduction in water testing costs & external testing by trend analysis and rationalization of sampling points/ timepoints; m. Standardization of primary packaging material to lower rejects at various stages of washing, filling and sealing and thereby increment in yields; n. Company has completed commissioning of manufacturing area for one of its API – monoclonal Anti D, which will substitute the API which is currently being imported from USA. Trial run conducted and found satisfactory. Process validation run is in process.
iii	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	Company has not imported any technology hence information below is not applicable
	(a) the details of technology imported	NA
	(b) the year of import	NA
	(c) whether the technology been fully absorbed	NA
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons there of	NA

iv	the expenditure incurred on Research and Development	NA

Foreign Exchange Earning and Outgo:

During the year under review, there were INR. 23,799.72 lakhs as Foreign Exchange Earnings and INR. 24,486.63 lakhs as foreign exchange outgoing.

	For and on behalf of the Board	**For and on behalf of the Board**
Place: Mumbai	Mr. Pankaj Patwari	Mr. Sanjiv Navangul
Date: August 4, 2020	Director	Managing Director & CEO

ANNEXURE - II

FORM AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/ Joint Ventures as per Companies Act, 2013 for the year ended March 31, 2020.

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary is to be presented with amounts in Rupees in Lakhs)

Name of Subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (other than subsidiary)	Turnover	Profit before taxation	Profit After taxation	Proposed dividend	Mode & %of shareholding
BSV Biosciences Inc., USA	$	1,000,000 shares of US $ 1 each	(156.62)	341.2	55.99	NIL	635.88	58.01	213.86	NIL	100%
BSV Bioscience GmbH, Germany	€	Capital Stock € 1,025,000	1959.75	7403.35	4583.34	NIL	14194.34	80.75	26.16	NIL	100%
BSV Biosciences Philippines Inc, Philippines	₱	10,000,000 shares of ₱ Peso 1 each	192.25	3957.66	3623.54	NIL	5932.69	708.62	578.14	N.A.	100%
Eurolife Regen Private Limited	₹	10,00,000 Shares of ₹10 each	(264.05)	0	164.05	NIL	NIL	(0.80)	(0.80)	NIL	100%

Notes:

1. Names of subsidiaries which are yet to commence operations- N.A.
2. Names of subsidiaries which have been liquidated or sold during the year. N.A.

Part "B": ASSOCIATES & JOINT VENTURES

Name of Associates/ Joint Ventures	Latest audited balance sheet date	Shares of Associates/ Joint Venture held by the Company on the year end March 31, 2020			Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit/ Loss for the year			
		Numbers	Amount of Investment in Associates/ Joint Ventures	Extent of Holding %		Considered in Consolidation	Not considered in Consolidation	Description of how there is significance influence	Reason why associate/ joint venture is not consolidated
N.A.									

	For and on behalf of the Board	For and on behalf of the Board
Place: Mumbai	Mr. Pankaj Patwari	Mr. Sanjiv Navangul
Date: August 4, 2020	Director	Managing Director & CEO

ANNEXURE – III

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Members,

Bharat Serums & Vaccines Limited,

17th Floor, Hoechst House,
Nariman Point, Mumbai 400021.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharat Serums & Vaccines Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our 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 authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020 (hereinafter called 'audit period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

i. The Companies Act, 2013 (hereinafter called 'the Act') and the rules made thereunder;

ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investments.

The following Regulations and Guidelines are prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. 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;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

i. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

We report that, being an Unlisted Company during audit period, all of the above Regulations / Guidelines from (a) to (i) as listed above were not applicable to the Company.

As per information provided to us following regulations specifically apply to the type of activities undertaken by the Company;

- Drugs (Price control) Order 2013.
- The Prevention of Cruelty to Animals Act, 1960

We have also examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India as applicable to the Company.

During the period under review, barring a few instances of delayed filing of e-forms under the Act Viz. CHG-1 (2 nos.), CHG-4, MGT-14, MSME-1 (2 Nos) (for half year ended 31st March 2019 and 30th September 2019) with Registrar of Companies, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, standards etc.

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 of at least seven days was given to all Directors to schedule the Board Meetings wherever required consents of the Directors were obtained for holding the Board Meetings with shorter notice. Agenda and detailed notes on agenda are sent generally seven days in advance or shorter period as the case may be, 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 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 there are adequate systems and processes in the Company which 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, the Company has effected:

1. Execution of Share purchase and subscription agreement and shareholders agreement on 18th November 2019.
2. Redemption of 0.01% Non-convertible Non-Cumulative Redeemable Preference Shares of Rs. 5/- each ('NCNCRPS') at a fair value of Rs. 1.10/- per share at Board meeting held on 24th January 2020.
3. Buyback of 8,17,197 Equity Shares of Rs. 5/- each at a price of Rs. 1,536.1251 per share at Extra Ordinary General meeting held on 31st January 2020.
4. Issue of 8,17,197 Compulsorily convertible Preference shares (CCPS) of Rs. 5/- each at a price of Rs. 1888.9808/- per share at Extra Ordinary General meeting held on 3rd February 2020 on Preferential Basis.
5. Adoption of new set of Articles of Association consequent upon execution of Share purchase and subscription agreement and shareholders agreement at Extra Ordinary General meeting held on 7th February 2020.

Place: Thane

For JHR & Associates

Date: 22nd July 2020

Company Secretaries

Sd/-

Sohan J. Ranade
(Partner)

ACS: 33416, CP: 12520

UDIN: A033416B000490323

ANNEXURE – IV

CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

As part of its initiatives under Corporate Social Responsibility ("CSR") and your Company's vision to drive 'holistic empowerment' of the community around the local vicinity of our plant and the society at large, your Company has undertaken the following projects /CSR activities through various social welfare organization which includes Trusts & NGO's, in accordance with CSR policy of the Company, read with Schedlule VII of the Companies Act, 2013 or any amendment thereof.

A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs is as follows: -

https://www.bharatserums.com/assets/pdf/CSR_Policy.pdf

The Composition of the CSR Committee is as follows: -

Mr. Ajeet Singh Karan – Member*

Mr. Bharat V. Daftary – Member

Dr. Gautam V. Daftary – Member*

Mr. Abhijit Mukherjee – Member**

Mr. Jayesh Merchant – Member**

Mr. Sanjiv Navangul – Member**

*Resigned as committee members w.e.f. February 7, 2020.

**Appointed as committee members w.e.f. February 7, 2020.

Average net profit of the Company for last three financial years is:
INR. 10,260.00 Lakhs.

Prescribed CSR Expenditure for the financial year 2019-20 is: - INR. 205.20 Lakhs.

Details of CSR spent during the financial year is: - INR. 193.70 Lakhs were spent during the FY 2019-20 in addition to INR. 101.57 Lakhs spent* from the accumulated amount. Total amount spent during the Year 2019-20 towards CSR were INR. 295.27 Lakhs.

Amount unspent, if any:
INR. 11.50 Lakhs.

Reason for not spending the amount:

The Company had identified earlier some CSR projects and had committed to spend* amount on those projects as per the requirements. The unspent amount of INR. 11.50 Lakhs was spent before the signing of this Board Report on those CSR projects.

RESPONSIBILITY STATEMENT

Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, it is confirmed that the CSR Committee has implemented and monitored CSR Policy which is in compliance with CSR objectives and policy of the Company.

Details of the CSR activities of the Company for the Financial Year 2019-20 (Amount in INR.)

	CSR Project or Activity Identified	Sector in Which the Project is Covered	Location of Projects or Programs undertaken		Amount Outlay (Budget) Project or Program wise	Amount Spent on Projects or Programs	Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through Implementing Agency
			Local Area or Other District (State)					
1	Infrastructure Development at old age homes	Promoting preventive health care	Mumbai	Maharashtra	14,11,050	2,86,050	14,11,050	At Kamldham Vrudhshram, Ambernath
2	Infrastructure development at Education set up	Promotion of Education	Vardha	Maharashtra	1,10,00,000	1,10,00,000	1,10,00,000	Through - Mahatma Gandhi Institute of Science and Technology, Vardha, Akola
3	Promoting preventive health care	Promoting preventive health care	Dharmpur	Gujrat	51,00,000	41,93,571	51,00,000	Through - Shreemad Rajchandra Love and Care Trus Trust
4	Hunger Eradication	Promoting preventive health care	Kalyan	Maharashtra	13,00,000	13,00,000	13,00,000	Through – Prem Seva Mahila Mandal
5	Rural Development	Rural Development	Adgaon Nasik	Maharashtra	35,63,000	35,63,000	35,63,000	Through - Chirag Rural Development Foundation
6	Rural Development	Rural Development	Mokhada	Maharashtra	19,00,685	50,205	19,00,685	Through - Chirag Rural Development Foundation
7	Rural Development	Rural Development	Mokhada	Maharashtra	1,70,000	1,70,000	1,70,000	Through - Chirag Rural Development Foundation
8	Skill Development Projects	Skill Development	Mumbai	Maharashtra	1,09,30,000	26,00,000	65,30,000	Through – Rotary Culb of Charities
9	Promoting preventive health care	Promoting preventive health care	Mumbai	Maharashtra	10,97,400	10,97,400	10,97,400	Through – Tata Hospital
10	Hunger Eradication	Promoting preventive health care	Mumbai	Maharashtra	1,00,000	1,00,000	1,00,000	Through – Anum Foundation
11	Administrative Cost for monitoring all funded Projects	CSR Consultant	Mumbai	Maharashtra	1,66,667	1,66,667	1,66,667	CSR Consultant
12	Promoting preventive health care	Promoting preventive health care	Mumbai	Maharashtra	49,99,930	49,99,930	49,99,930	Through – Americares India Foundation
		Total CSR Spent			**4,17,38,732**	**295,26,823**	**3,78,38,732**	

	For and on behalf of the Board	**For and on behalf of the Board**
Place: Mumbai	Mr. Pankaj Patwari	Mr. Sanjiv Navangul
Date: August 4, 2020	Director	Managing Director & CEO

ANNEXURE – V

MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U24230MH1971PLC015134
2.	Registration Date	April 29, 1971
3.	Name of the Company	Bharat Serums & Vaccines Limited
4.	Category / Sub-Category of the Company	Company Limited by Share/ Indian Non- Government Company
5.	Address of the Registered office and contact details	17th Floor, Hoechst House, Nariman Point, Mumbai- 400021
6.	Whether listed company	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, Tel: 022 2594 6970.

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:

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	BSV is inter alia engaged in the business of research, development, manufacturing, marketing and sales of biopharmaceutical and pharmaceutical products in India and Overseas Market.	21001,21002,7210	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Description of main products / services	% of Shares held	Applicable Section
1.	Holding Company Aksipro Diagnostics P. Limited	74%	2(46)
2	Subsidiary Companies- Indian **BSVLife Private Limited** 17th Floor, Hoechst House, Nariman Point, Mumbai- 400021.	100%	2(87)(ii)
3	Subsidiary Companies- Overseas **BSV Bioscience GmbH,** Max-Planck-Strabe, 1252499 Baesweiler Germany.	100%	2(87)(ii)
	BSV Biosciences Inc. 380, Woodview Avenue, Morgan Hill, CA 95037, USA	100%	2(87)(ii)
	BSV Bioscience Philipines Inc. 3805, One San Miguel, Ave, Condominium, San Miguel Ave, Corner Shaw Boulevard, Pasig City 1600, Philippines.	100%	2(87)(ii)
4	Associate Company NIL	NA	NA

IV. SHAREHOLDING PATTERN (Equity Share Capital Break - up as percentage of Total Equity)

i) Shareholding Of Individuals

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2019)				No. of Shares held at the end of the year (As on March 31,2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	0	0	0	0	0	0	0	0	0
a) Individual/HUF	1,27,04,451	0	1,27,04,451	70.93	0	0	0	0	-70.93
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	9,27,864	0	9,27,864	4.93	1,26,03,184	0	1,26,03,184	69.93	65.00
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....				0				0	0
Sub-total (A) (1)	1,36,32,315	0	1,36,32,315	75.86	1,26,03,184	0	1,26,03,184	69.93	-5.93
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	1,36,32,315	0	1,36,32,315	75.86	1,26,03,184	0	1,26,03,184	69.93	-5.93
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	33,39,621	0	33,39,621	17.73	0	0	0	0	-17.73
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0

i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	33,39,621	0	33,39,621	17.73	0	0	0	0.00	-17.73
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4,19,193	0	4,19,193	2.23	10,00,000	0	10,00,000	5.55	3.32
ii) Overseas	8,51,004	0	8,51,004	4.52	0.00	0	0.00	0.00	-4.52
b) Individuals									
i) Individual shareholders holding nominal share capital upto INR. 1 lakh	1,46,706	90,848	2,37,554	1.26	930	0	930	0.01	-1.25
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	3,59,547	0	3,59,547	1.91	44,17,923	0	44,17,923	24.51	22.60
c) Others (specify)									
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Non-Resident Indians	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	17,76,450	90,848	18,67,298	9.92	54,18,853	0	54,18,853	30.07	20.09
Total Public Shareholding (B)=(B)(1) + (B)(2)	51,16,071	90,848	52,06,919	27.65	54,18,853	0	54,18,853	30.07	2.36
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1,87,48,386	90,848	1,88,39,234	100	180,22,037	0	180,22,037	100	-3.57

ii) Shareholding Of Promoters

Sr. No.	Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares Company	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares Company	
1	Aksipro Diagnostics Pvt. Ltd.	9,27,864	4.93	0	1,26,03,184	69.93	0	65.93
Total		9,27,864	4.93	0	1,26,03,184	69.93	0	65.93

iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Equity shares of the Company	No. of Shares	% of total Equity shares of the Company
1	Aksipro Diagnostics Pvt. Ltd.	9,27,864	4.93	1,26,03,184	69.93

iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Equity shares of the Company	No. of Shares	% of total Equity shares of the Company
1	**Siro Clinpharm Private Limited**				
	At the beginning of the year	-	-	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Gift/Transfer	-	-	10,00,000	5.55
	At the end of the year	-	-	10,00,000	5.55
2	**Bhavna Daftary Jointly with Bharat Daftary**				
	At the beginning of the year	10,43,847	5.54	10,43,847	5.54
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Gift/ Transfer	-	-	4,13,835	-
	At the end of the year	-	-	6,30,012	3.50
3	**Aarti Daftary Jointly with Gautam Daftary**				
	At the beginning of the year	10,43,847	5.54	10,43,847	5.54
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Gift/Transfer	-	-	5,76,548	-
	At the end of the year	-	-	4,67,299	2.59

v) Shareholding of Directors and Key Managerial Personnel

Details of changes in the shareholding of Directors of the Company who held/hold Equity Shares of the Company are as mentioned herein. None of the other Directors / Key Managerial Personnel of the Company held any Equity Shares of the Company either at the beginning of the year i.e. April 1, 2019 or at the end of the year i.e. March 31, 2020 or dealt in the Equity Shares of the Company during financial year ended March 31, 2020

Shareholding at the beginning of the year i.e. April 1, 2019		Changes during the year			Cumulative Shareholding during the year	
No. of Shares	% of Equity Capital	Date	No. of Shares	Reason	No. of Shares	% of Equity Capital
Mr. Bharat Daftary* - Chairman & Director						
30,18,745	16.02	April 2, 2019	-52,109	Gift	7,78,400	4.32
		August 12, 2019	-5,90,000	Gift		
		October 4, 2019	-5,95,500	Sale/ Transfer		
		February 7, 2020	-10,02,736	Sale		
Dr. Gautam Daftary* - Vice Chairman & Director						
30,18,745	16.02	July 9, 2019	-1,04,218	Gift	0.00	0.00
		August 9, 2019	-6,86,000	Gift		
		October 4, 2019	-15,95,500	Sale/ Transfer		
		February 7 2020	-6,33,027	Sale/ Transfer		
Mr. Siddharth B. Daftary* - (Being Mr. Siddharth B. Daftary as Whole-time Director)						
773	0.00	August 12, 2019	-3,80,000	Gift	310	0.00
		January 24, 2020	10	Gift		
		January 29, 2020	300	Gift		
		February 7, 2020	-3,80,773	Sale/ Transfer		
Mr. Bharat V. Daftary Jointly with Ms. Bhavna Daftary* (Being Mr. Bharat Daftary as Chairman & Director)						
18,30,322	9.72	February 7, 2020	-2,53,317	Sale/ Transfer	13,00,704	7.22
		February 8, 2020	-2,76,301	Buy Back		
Dr. Gautam Daftary Jointly with Ms. Aarti Daftary* (Being Dr. Gautam Daftary as Vice Chairman & Director)						
18,30,322	9.72	February 7, 2020	-3,64,623	Sale/ Transfer	12,41,508	6.89
		February 8, 2020	-2,24,191	Buy Back		
Mr. Anil Damle (Being Chief Financial Officer)						
NIL	NA	NA	NIL	NA	NIL	NA
Mr. Charudatta Samant (Being GM-Legal & Company Secretary)						
NIL	NA	NA	NIL	NA	NIL	NA

* Mr. Bharat Daftary, Dr. Gautam Daftary resigned from the position of Managing Director & Mr. Siddharth Daftary resigned from the position of Whole Time Director w.e.f. February 7, 2020.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (INR. in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
At the beginning of the financial Year				
(i) Principal Amount*	3,013.18	581.24	-	3594.42
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	162.69	-	-	162.69
Total (i+ii+iii)	**3,175.87**	**581.24**	**-**	**3757.11**
Change in Indebtedness during the Financial Year				
Addition	-	-	-	-
Reduction	(1,989.2)	(474.46)	-	(2463.66)
Exchange diff	**280.63**	**-**	**-**	**280.63**
Net Change	**(1708.57)**	**(474.46)**	**-**	**(2183.03)**
Indebtedness at the end of the Financial Year				
(i) Principal Amount	1,462.13	106.78	-	1568.91
(ii) Interest due but not paid	5.17	-	-	5.17
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1467.30**	**106.78**	**-**	**1574.08**

* Principal Amount excludes lease liability accounted as per IND AS 116.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manger

(Amount in INR)

Sr. No.	Particulars of Remuneration	Mr. Bharat Daftary- Managing Director*	Dr. Gautam Daftary Managing Director*	Mr. Siddharth Daftary Whole time Director*	Mr. Sanjiv Navangul Managing Director**	Total Amount
1	Gross Salary	1,74,12,672	1,62,83,964	24,13,199	3,08,75,350	6,69,85,185
	Salary	0	0	0	0	0
	Perquisites	0	0	0	0	0
	Profits in lieu of salary	0	0	0	0	0
2	**Stock Options**	**0**	**0**	**0**	**0**	**0**
3	**Sweat Equity**	**0**	**0**	**0**	**0**	**0**
4	Commission	0	0	0	0	0
	As % of profit	0	0	0	0	0
	Others, specify	**0**	**0**	**0**	**0**	**0**
5	Others (Contribution to provident fund)	**0**	**11,28,708**	**1,99,625**	**5,75,127**	**19,03,460**
	Total (A)	**1,74,12,672**	**1,74,12,672**	**26,12,824**	**3,14,50,477**	**6,88,88,645**
	Ceiling as per the Act	**10% of the profits as per Section 198 of the Companies Act, 2013.**				

* Mr. Bharat Daftary, Dr. Gautam Daftary resigned from the position of Managing Director & Mr. Siddharth Daftary resigned from the position of Whole Time Director w.e.f. February 7, 2020.
**Mr. Sanjiv Navangul was appointed as Managing Director & CEO w.e.f. February 7, 2020.

B. Remuneration to other Directors: (INR. in Lakhs)

Name of Directors	Sitting Fees	Commission	Others	Total
Independent Directors				
Mr. Manu Daftary	0.36	-	-	0.36
Mr. Ajeet Singh Karan	3.46	-	-	3.46
Mr. Suketu Shah	2.77	-	-	2.77
Ms. Nafeesa Moloobhoy	1.61	-	-	**1.61**
Mr. Shahzaad Dalal	2.11			**2.11**
Mr. Suresh Goklaney	2.36			2.36
Total (A)	12.67	-	-	12.67
Nominee Directors				-
Mr. Nitin Deshmukh#	0.36	-	-	**0.36**
Dr. Sunny Sharma	2.30	-	-	**2.30**
Total (B)	2.66	-	-	**2.66**
Grand Total (A+B)	15.33	-	-	**15.33**
Overall Ceiling as per the Act	INR. 1,00,000 per Meeting of the Board or Committee thereof as per Section 197 read with Rule 4 of Companies (Appointment and Managerial Remunerating) Rules, 2014.			

#Nominee Directors sitting fees was paid to Kotak India Private Equity Fund III.

C. Remuneration to Key Managerial Personnel (Other than Managing Director, Whole-time Directors and/or Manager)

(Amount in INR)

Sr. No.	Particulars of Remuneration	Mr. Anil Damle (Chief Financial Officer)	Mr. Charudatta Samant (GM-Legal & Company Secretary)	Total Amount
1	Gross Salary	90,13,802	27,97,689	1,18,11,491
	Salary	-	-	-
	Perquisites	-	-	-
	Profits in lieu of salary	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	As % of profit	-	-	-
	Others (Bonus)	**24,780**	**24,780**	**49,560**
5	Others (Contribution to provident fund)	**4,50,408**	**1,57,503**	**6,07,911**
	Total (A)	**94,88,990**	**29,79,972**	**1,24,68,962**
	Ceiling as per the Act	**10% of the profits as per Section 198 of the Companies Act, 2013**		

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Neither the Company nor any of its Directors or Officers in default were penalized / punished for violation of any of the provisions of Companies Act, 1956 or 2013, by any of the regulatory authorities under the Act. Further no application was made by the Company or its Directors or Officers in Default for compounding of any of the provisions of the Act and therefore information in this regard is Nil.

	For and on behalf of the Board	**For and on behalf of the Board**
Place: Mumbai	Mr. Pankaj Patwari	Mr. Sanjiv Navangul
Date: August 4, 2020	Director	Managing Director & CEO

ANNEXURE – VI

PARTICULARS OF REMUNERATION OF EMPLOYEES

(Pursuant to Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

i) The information required under Section 197 of the Act read with Rule 5(1)(vii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014) is given below

(Amount in Lakhs)

Requirements	Disclosures	
Variations in the Net worth of the Company, as at the closing date of the current and previous financial year	March 31, 2020	53,258.09
	March 31, 2019	48,864.94
	Change %	**8.99%**

ii. Particulars of Employees whose remunerations exceeded INR. 102 Lakhs per annum or INR. 8.50 Lakhs per month during F.Y.20-19-20.

a. Employed throughout the year and in receipt of remuneration aggregating INR 8.50 Lakhs per month or INR. 102 Lakhs or more per annum.

Name of Employee	Age (Years)	Designation	Total Remuneration (INR.)	Qualification	Experience (Years)	Date of Joining	Last Employment
Mr. Bharat Daftary*	62	Chairman & Managing Director	1,74,12,672	B.Sc.	34	01.06.1984	Nil
Dr. Gautam Daftary*	58	Vice- Chairman & Managing Director	1,74,12,672	M.B.B.S.	35	01.04.1983	Nil
Mr. Sanjiv Navangul**	56	Managing Director & CEO	3,14,50,477	MBA	29	07.02.2020	Alembic Pharmaceuticals Limited
Mr. Harjeet Singh	54	President - Export	1,84,87,096	MBA	33	28.03.2016	Torrent Pharmaceuticals Limited
Mr. Roopesh Bhargava	55	Chief Operating Officer	1,48,69,071	MBA	30	01.11.2017	Besins Healthcare India Private Limited
Mr. Anjan Ghosh	56	Senior President	31,85,945	BSc., PGD.	35	02.03.2020	Alembic Pharmaceuticals Limited
Mr. Nilesh Kulkarni	44	Chief Human Resource Officer	8,62,235	B.Com + MLS	20	02.03.2020	Novo Nordisk India Private Limited
Mr. Rahul Adakmol	40	Chief Operating Officer	33,94,973	Engineer + PGD	19	09.03.2020	Dr. Reddy's Laboratories Limited

* Mr. Bharat Daftary & Dr. Gautam Daftary resigned from the position of Managing Director w.e.f. February 7, 2020.
**Mr. Sanjiv Navangul was appointed as Managing Director & CEO w.e.f. February 7, 2020

Notes:

a. All appointments are contractual and terminable by notice on either side;

b. None of the employees, except Mr. Bharat Daftary & Dr. Gautam Daftary are related to any of the Directors;

c. Remuneration includes Salary, Allowances, and Company's Contribution to Provident Fund, Medical Benefits, Leave Travel Allowance & Other Perquisites and benefits valued on the basis of the provisions of Income Tax Act, 1961.

Place: Mumbai
Date: August 4, 2020

For and on behalf of the Board
Mr. Pankaj Patwari
Director

For and on behalf of the Board
Mr. Sanjiv Navangul
Managing Director & CEO

EMERGENCY MEDICINE

Emergency medicine, also known as accident and emergency medicine, is the medical specialty concerned with the care of illnesses or injuries requiring immediate medical attention.

STANDALONE FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

To The Members of Bharat Serums and Vaccines Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Bharat Serums and Vaccines Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report in the Annual Report for the year ended 31st March 2020, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

Except:
Managing Director's appointment including remuneration is subject to the approval of the Members of the Company at the ensuing Annual General Meeting of the company.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32 to the standalone financial statements;

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.

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

For **DELOITTE HASKINS AND SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

Manoj H. Dama

Partner

(Membership No. 107723)

UDIN: 20107723AAAAIV8549

Place: Mumbai

Date: 4th August 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Bharat Serums and Vaccines Limited]

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection

3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bharat Serums and Vaccines Limited ("the Company") as of 31st March 2020 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. 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.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence 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, to the best of our information and according to the explanations given to us 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 2020, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS AND SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

Manoj H. Dama

Partner

(Membership No. 107723)

UDIN: 20107723AAAAIV8549

Place: Mumbai

Date: 4th August 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Bharat Serums and Vaccines Limited)

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

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, in respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships 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 not granted any loans or provided guarantees or securities to the parties covered under Section 185 of the Companies Act, 2013 during the year; the Company has complied with the provisions of Section 186 of the said Act in respect of grant of loans, making investments and providing guarantees and securities covered under the said section, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 hence reporting under clause (v) of paragraph 3 of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Service Tax and Central Sales Tax which have not been deposited as on 31st March 2020 on account of disputes are given below

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. in lakhs)
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Tribunal	18.04.2006 to 28.02.2011	721.88 #
Central Sales Tax Act, 1956	Central Sales Tax	Maharashtra Sales Tax Tribunal	FY 2012-13	107.06
Central Sales Tax Act, 1956	Central Sales Tax	Maharashtra Sales Tax Tribunal	FY 2013-14	107.49
Central Sales Tax Act, 1956	Central Sales Tax	Maharashtra Sales Tax Tribunal	FY 2014-15	130.49
Central Sales Tax Act, 1956	Central Sales Tax	Maharashtra Sales Tax Tribunal	FY 2015-16	114.79
Income Tax Act, 1961	Income Tax	CIT (A)	FY 2016-17	163.09

Net of Rs. 75 lakhs paid under protest

There are no dues of Goods and Services Tax, Customs Duty, Excise Duty and Value Added Tax as on 31st March 2020 which have not been deposited with the appropriate authorities on account of disputes.

(d) Having regard to the nature of the Company's business / activities during the year, statutory dues in respect of Excise Duty are not applicable to the Company.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government, except as under:

Particulars	Amount of default of repayment (Rs)		Period of default
	Principal	Interest	
Dues to Government			
Department of Science and Technology			
100/IFD/8848/ 2005-06 (Anti D)	65,69,800	3,94,188	1 day
100/IFD/8510/ 2005-06 (MtiG)	70,70,000	4,24,200	1 day

The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 except :

Managing Director's appointment including remuneration is subject to the approval of the Members of the Company at the ensuing Annual General Meeting of the company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by Ind AS.

(xiv) According to the information and explanations given to us, the Company has made private placement of Compulsory convertible Preference shares during the year.

In respect of the above issue, we further report that:

a) The requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) The amounts raised have been applied by the Company during the year for the purposes for which the funds were raised i.e. to buy back equity shares from existing shareholders.

During the year, the Company has not made any preferential allotment or private placement of fully or partly convertible debentures.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable. The Company does not have any associate company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS AND SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

Manoj H. Dama

Partner

(Membership No. 107723)

UDIN: 20107723AAAAIV8549

Place: Mumbai

Date: 4th August 2020

STANDALONE BALANCE SHEET

for the year ended 31 March 2020

(Currency : Indian rupees in Lakhs)

		Note No.	As at 31 March 2020	As at 31 March 2019
I	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	5	**11,380.69**	15,972.04
	(b) Right of use asset	5A	**1,566.22**	-
	(c) Capital work in progress	5	**1,122.73**	739.04
	(d) Biological assets other than bearer plants	6	**63.66**	79.41
	(e) Intangible assets	7	**3,284.69**	6,346.97
	(f) Intangible assets under development	7	**78.75**	779.88
	(g) Financial assets			
	(i) Investments	8	**1,443.96**	1,443.96
	(ii) Loans	9A	**3,121.09**	2,962.05
	(iii) Other financial assets	10A	**468.14**	118.98
	(h) Deferred tax assets (Net)	11C	**-**	516.41
	(i) Income tax assets (Net)	11D	**1,571.12**	261.53
	(j) Other non - current assets	12A	**482.04**	568.92
	Total non-current assets		**24,583.09**	29,789.19
2	**Current assets**			
	(a) Inventories	13	**19,025.99**	14,272.02
	(b) Financial assets			
	(i) Trade receivables	14	**14,830.20**	14,729.76
	(ii) Cash and cash equivalents	15	**6,004.17**	1,511.53
	(iii) Bank balances other than (ii) above	16	**94.59**	381.66
	(iv) Loans	9B	**1,020.08**	1,373.35
	(v) Other financial assets	10B	**860.79**	535.25
	(c) Other current assets	12B	**4,504.39**	4,153.95
	Total current assets		**46,340.21**	36,957.52
	Total Assets		**70,923.30**	66,746.71

STANDALONE BALANCE SHEET

for the year ended 31 March 2020 (CONTIUNED)

(Currency : Indian rupees in Lakhs)

		Note No.	As at 31 March 2020	As at 31 March 2019
II	**EQUITY AND LIABILITY**			
1	**Equity**			
	(a) Equity share capital	17.1	**901.11**	941.97
	(b) Compulsory Convertible Preference shares	17.2	**140.99**	100.13
	(c) Other equity	17A	**52,181.13**	47,822.84
	Total Equity		**53,223.23**	48,864.94
2	**Liabilities**			
2a	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	18A	**175.26**	1,623.13
	(ii) Lease Liability	35	**986.06**	-
	(b) Other non - current liabilities	20A	**405.96**	528.61
	(c) Provisions	21A	**2,605.53**	2,012.02
	(d) Deferred tax liabilities (Net)	11	**404.45**	-
	Total non-current liabilities		**4,577.26**	**4,163.76**
2b	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	18B	**523.65**	544.95
	(ii) Lease Liability	35	**564.76**	-
	(iii) Trade payables	22		
	– Total outstanding dues of micro enterprises and small enterprises		**39.29**	43.38
	– Total outstanding dues other than micro enterprises and small enterprises		**6,441.71**	5,921.95
	(iv) Other financial liabilities	19	**3,153.87**	4,619.03
	(b) Other current liabilities	20B	**960.02**	693.35
	(c) Provisions	21B	**1,419.27**	1,632.66
	(d) Current tax liabilities (Net)	11D	**20.24**	262.69
	Total current liabilities		**13,122.81**	13,718.01
	Total Equity and Liabilities		**70,923.30**	66,746.71

STANDALONE PROFIT AND LOSS

for the year ended 31 March 2020

(Currency : Indian rupees in Lakhs)

		Note No.	As at 31 March 2020	As at 31 March 2019
1	**Income**			
	(a) Revenue from Operations	**23**	**79,966.91**	**78,762.95**
	(b) Other Income	24	**2,184.63**	864.61
	Total Income		**82,151.54**	79,627.56
2	**Expenses**			
	(a) Cost of materials consumed	25	**21,046.33**	18,948.91
	(b) Purchases of stock-in-trade	26	**9,463.34**	9,709.73
	(c) Changes in inventories of finished goods, stock-in-trade and work-in progress	27	**(2,257.56)**	(2,005.84)
	(d) Employee benefits expense	28	**15,912.29**	13,337.53
	(e) Other expenses	29	**26,331.73**	22,339.65
	Total expenses		**70,496.13**	62,329.98
3	**Earnings before interest, tax, depreciation, amortisation (EBITDA) (1 - 2)**		**11,655.41**	17,297.58
	(a) Finance costs	**30**	**628.62**	**849.29**
	(b) Depreciation,impairment and amortisation expense	31	**3,793.29**	2,324.35
4	**Profit before tax**		**7,233.50**	14,123.94
5	**Tax expense**	11		
	Current tax		**1,353.89**	3,142.60
	Deferred tax (net)		**1,165.51**	1,310.27
	Deferred tax pertaining to earlier years		**(149.38)**	-
	Total tax expenses		**2,370.02**	4,452.87
6	**Profit for the year**		**4,863.48**	9,671.07
7	Other comprehensive income			
	(i) Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of defined benefit plans	28A	**(286.25)**	83.11
	(b) Income Tax on remeasurement of defined benefit plans	11A	**95.28**	(28.76)
	Other Comprehensive Income for the year, net of income tax		**(190.97)**	**54.35**
8	Total Comprehensive Income for the year (6) + (7)		**4,672.51**	9,725.42
9	Earnings per equity share (in Rupees) : Face value of Rs. 5 each :			
	Basic	36	**23.33**	46.63
	Diluted		**23.33**	46.63
	The accompanying notes are an integral part of these financial statements.	**1-45**		

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

(Currency : Indian rupees in Lakhs)

		As at 31 March 2020		As at 31 March 2019	
		Numbers	Amount	Numbers	Amount
A	**Equity share capital**				
	Balance at the beginning of the reporting period	**1,88,39,234**	**941.97**	1,87,35,013	936.76
	Changes in equity share capital during the year (Refer Note 13.1)	**(8,17,197)**	**(40.86)**	1,04,221	5.21
	Balance at the end of the reporting period	**1,80,22,037**	**901.11**	1,88,39,234	941.97

		As at 31 March 2020		As at 31 March 2019	
		Numbers	Amount	Numbers	Amount
B	**Convertible cumulative preference shares**				
	Balance at the beginning of the reporting period	**20,02,507**	**100.13**	20,02,507	100.13
	Changes in preference share capital during the year (Refer Note 13.2)	**81,7197**	**40.86**	-	-
	Balance at the end of the reporting period	**28,19,704**	**140.99**	20,02,507	100.13

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020 (CONTIUNED)

Reserves and Surplus

		Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Deemed Capital Contribution	Retained Earnings	Total Other Equity
C	**Other equity**							
	Balance as at 31 March 2018	(2,554.81)	48.05	10,572.19	5,648.27	-	24,228.21	37,941.91
	Profit for the year	-	-	-	-	-	9,671.07	9,671.07
	Other comprehensive income, net of tax	-	-	-	-	-	54.35	54.35
	Total Income for the year	-	-	-	-	-	9,725.42	9,725.42
	Dividend on Equity Shares	-	-	-	-	-	(468.38)	(468.38)
	Dividend on Preference Shares	-	-	-	-	-	(50.07)	(50.07)
	Dividend distribution tax on equity shares	-	-	-	-	-	(96.30)	(96.30)
	Dividend distribution tax on preference shares	-	-	-	-	-	(10.27)	(10.27)
	Equity Component of compound financial instrument				-	780.53	-	780.53
	Transfer to General Reserve	-	-	-	403.00	-	(403.00)	-
	Balance as at 31 March 2019	**(2,554.81)**	**48.05**	**10,572.19**	**6,051.27**	**780.53**	**32,925.61**	**47,822.84**
	Profit for the year	**-**	**-**	**-**	**-**	**-**	**4,863.48**	**4,863.48**
	Other comprehensive income, net of tax	**-**	**-**	**-**	**-**	**-**	**(190.97)**	**(190.97)**
	Total Income for the year	**-**	**-**	**-**	**-**	**-**	**4,672.51**	**4,672.51**
	Dividend on Equity Shares	**-**	**-**	**-**	**-**	**-**	**(235.49)**	**(235.49)**
	Dividend on Preference Shares	**-**	**-**	**-**	**-**	**-**	**(25.14)**	**(25.14)**
	Dividend distribution tax on equity shares	**-**	**-**	**-**	**-**	**-**	**(48.41)**	**(48.41)**

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020 (CONTIUNED)

Reserves and Surplus

	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Deemed Capital Contribution	Retained Earnings	Total Other Equity
Issue of Compulsory Convertible Preference Shares (Refer note 17.2.b)	-	-	15,436.69	-	-	-	15,436.69
Buyback of equity shares (Refer note 17.2.a)	-	-	(12,512.31)	-	-	-	(12,512.31)
Tax on Buyback (Refer Note 17.2.a)	-	-	-	-	-	(2,924.39)	(2,924.39)
Transfer to Capital Redemption Reserve (Refer Note 17.2.a and 17.2.d)	-	1,029.36	-	(1,029.36)	-	-	-
Balance as at 31 March 2020	(2,554.81)	1,077.41	13,496.57	5,021.91	780.53	34,359.52	52,181.13

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020 (CONTIUNED)

The Description of the nature and purpose of each reserve within equity:

Capital Reserve: Capital reserve majorly represents excess of purchase consideration paid to acquire net asset of Kasiak Research Private Limited in the scheme of merger.

Deemed Capital Contribution: The component parts of compound financial instruments issued by the Company are classified as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument. Financial liabilities are recognised initially at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using effective interest method.

Capital Redemption Reserve: Capital redemption reserve represents reserve created through transfer from general reserve to capital redemption reserve in compliance with buy back of shares and redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares.During the year, Company has transferred Rs 988.50 lakhs towards redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares and Rs 40.86 lakhs in compliance with buy back of equity shares.

Security premium reserves: Security premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of companies Act, 2013.

Addition during the year is on account issuse of CCPS and it is utilised for buyback of equity shares"

General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.During the year, Company has transferred to Capital Redemption Reserve Rs 988.50 lakhs towards redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares and Rs 40.86 lakhs in compliance with buy back of equity shares.

Retained Earnings: Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends paid to shareholders.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner
Place: Mumbai
Date: 04th August, 2020

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN :U24230MH1971PLC015134

Pankaj Patwari
Director
DIN : 08206620

Sanjiv H Navangul
Managing Director and CEO
DIN : 02924640

Chirag Mehta
Chief Financial Officer

Charudatta S Samant
Company Secretary
Membership No: A22337

Place: Mumbai
Date: 04th August, 2020

STANDALONE STATEMENT OF CASH FLOW

As at 31 March, 2020

(Currency : Indian rupees in Lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit before tax	**7,233.50**	14,123.94
Adjustments for:		
Depreciation and amortisation	**3,793.29**	2,324.35
Profit on sale of property plant and equipment	**(837.26)**	(9.55)
Intangibles under development written off	**566.89**	-
Intangibles assets written off	**1,104.66**	-
Biological assets written off	**19.39**	7.37
Sundry balances written off	**16.53**	422.97
Bad debts written off	**235.10**	-
Provision for doubtful debts	**189.90**	240.00
Provision for doubtful advance and deposits	**67.99**	165.33
Sundry balances written back	**(26.07)**	(35.78)
Unrealized foreign exchange gain/(loss) on revaluation (net)	**(488.51)**	274.01
Finance Cost	**628.62**	849.29
Interest income	**(342.14)**	(249.24)
Operating profit before working capital changes	**12,161.89**	18,112.69
Working capital adjustments:		
Increase in trade payables	**526.00**	434.68
Increase in provisions	**93.85**	600.31
Increase/ (Decrease) in other financial liabilities	**(769.80)**	266.11
Increase in other liabilities	**144.00**	262.83
(Increase)/ Decrease in trade receivables	**(47.80)**	171.60
(Increase) in inventories	**(4,754.00)**	(1,342.30)
(Increase) in other financial assets	**(354.90)**	(109.20)
(Increase)/ Decrease in Security Deposit and Loans to Employees	**226.67**	(450.63)
(Increase) in other assets	**(372.80)**	(465.70)
Cash generated from operations	**6,853.11**	17,480.39
Income taxes paid (net of refunds)	**(2,905.93)**	(3,141.05)
Net cash flow generated from operating activities (A)	**3,947.18**	14,339.34

STANDALONE STATEMENT OF CASH FLOW

As at 31 March, 2020 (CONTINUED)

(Currency : Indian rupees in Lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,197.27)	(1,766.51)
Proceeds from sale of property, plant and equipment	4,743.88	87.73
(Placement)/ Redemption of bank deposits having maturity of more than 3 months	287.10	(133.90)
	Year ended 31 March 2020	Year ended 31 March 2019
Loan to Subsidiaries	-	(785.27)
Inter-corporate deposits received back	68.40	2.00
Interest received	156.82	139.56
Net cash flow generated from/(used in) investing activities (B)	4,058.93	(2,456.39)
Cash flows from financing activities		
Repayment of long-term borrowings	(1,677.20)	(2,006.26)
Repayment of short-term borrowings (net)	(31.20)	(7,281.20)
Redemption of Non Convertible Non Cumulative Redeemable Preference Shares	(207.97)	-
Repayment of lease liabilities	(667.58)	-
Finance Cost Paid	(629.24)	(862.00)
Buyback of equity shares (including buyback taxes)	(15,477.55)	-
Issue of Compulsory Convertible Preference Shares	15,477.55	-
Dividend paid (and related dividend distribution tax)	(314.21)	(625.02)
Net cash flow used in financing activities (C)	(3,527.40)	(10,774.48)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	4,478.71	1,108.47
Cash and cash equivalents at the beginning of the year	1,511.53	415.05
Add: Unrealised gain/ (loss) on Foreign currency Cash and cash equivalents	13.93	(11.99)
Cash and cash equivalents at the end of the year	6,004.17	1,511.53
Components of cash and cash equivalents		
Cash on hand	6.97	12.85
Balances with bank:		
- in current account	5,997.20	998.68
- Term Deposit with Original maturity less than 3 months	-	500.00
Total cash and cash equivalents (Refer Note :15)		
	6,004.17	1,511.53

STANDALONE STATEMENT OF CASH FLOW

As at 31 March, 2020 (CONTINUED)

(Currency : Indian rupees in Lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Change in Liabilities arising from financing activities:		
Borrowings - Non-Current (Refer Note 18A)		
- Opening Balance (including Current Portion of Long term Borrowings)	3,049.47	4,685.03
- Cash Flow	(1,885.17)	(2,006.26)
- Finance Lease Obligation	(399.67)	-
- Non Convertible Non Cumulative redeemable preference shares	-	207.97
- Unrealised loss on foreign currency Borrowings	280.63	162.73
- Closing Balance	1,045.26	3,049.47
Borrowings - Current (Refer Note 18B)		
- Opening Balance	544.95	7,796.43
- Cash Flow	(31.20)	(7,281.20)
- Unrealised loss on foreign currency Borrowings	9.90	29.72
- Closing Balance	523.65	544.95

Note

1 The Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (IND AS 7) Statement of cash flows prescribed in Companies (Accounting Standards) Rules, 2006, which continue to apply under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

2 Purchase of Property,Plant and Equipment includes movements of capital work in progress (including capital advances)

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner
Place: Mumbai
Date: 04th August, 2020

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN :U24230MH1971PLC015134

Pankaj Patwari
Director
DIN : 08206620

Sanjiv H Navangul
Managing Director and CEO
DIN : 02924640

Chirag Mehta
Chief Financial Officer

Charudatta S Samant
Company Secretary
Membership No: A22337

Place: Mumbai
Date: 04th August, 2020

BHARAT SERUMS AND VACCINES LIMITED

Notes to the Standalone IND AS Financial Statements for the year ended 31 March 2020

1) GENERAL INFORMATION

Bharat Serums and Vaccines Limited (the Company) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of research, development, manufacturing, marketing and sales of biological and pharmaceutical products in India and overseas market.

2) BASIS OF PREPARATION OF STANDALONE IND AS FINANCIAL STATEMENTS ("FINANCIAL STATEMENTS")

a) Statement of compliance

The financial statements of the Company as at and for the year ended 31 March, 2020 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.

The Financial statements are prepared in Indian rupees rounded off to the nearest lakhs except for share data and per share data, unless otherwise stated.

b) Basis of preparation and presentation

The financial statements have been prepared on accrual and going concern basis. The Accounting policies are applied consistently to all the periods presented in the Financial statements. The preparation of Financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle,

ii) Held primarily for the purpose of trading,

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

i) it is expected to be settled in normal operating cycle,

ii) it is held primarily for the purpose of trading,

iii) it is due to be settled within twelve months after the reporting period,

iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Basis of measurement

These financial statements are prepared under historical cost convention unless otherwise indicated, except for asset held for sale and Biological asset – measured at fair value less cost of sell.

d) Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Property, plant and equipment ("PPE")

I) Recognition and Measurement

i) Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.

ii) 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.

iii) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised

iv) Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non current assets.

II) Subsequent expenditure

Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

III) Depreciation and Amortisation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed under Schedule II to the Act or as per technical assessment. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which is asset is ready to use / (disposed of). Freehold land is not depreciated.

Tangible Assets	Useful Life
Leasehold Land	Amortized over the period of Lease
Buildings	5 years to 60 years
Plant and Machinery/ factory equipment/ Laboratory equipment	8 years to 20 years
Computers and Accessories	3 years
Electrical Installations	10 years
Furniture and Fixtures	10 to 15 years
Vehicles	8 years
Office Equipment's	5 years

Leasehold improvements are amortized over the useful life of assets or the lease term, whichever is lower.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

b) Intangible Assets:

I) Recognition and measurement

Research and Development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets, such as computer software and trademarks and patents, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

II) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

III) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

The estimated useful lives for current and comparative periods are as follows:

Assets	Useful Life
Patents and technical know-how	10 Years
Computer software	05 Years

c) Leases

Implementation of Ind AS 116 Leases

The Company has applied Ind AS 116 'Leases' with effect from April 1, 2019. Ind AS 116 introduces new requirements for the definition of a lease, lessee accounting and lessor accounting as well as a number of new disclosures. In general, all leases within the scope of Ind AS 116 are required to be brought on to the balance sheet by lessees, recognising a 'right-of-use' asset and a related lease liability at the commencement of the lease. Ind AS 116 establishes a control model for the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. The Company has adopted Ind AS 116 applying the same to the lease contracts existing on April 1, 2019 using the modified retrospective approach, and accordingly prior year results have not been restated. For all the leases, the right of use asset was set equal to the lease liability at April 1, 2019, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before April 1, 2019. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019.

The Company recognises right of use assets under lease arrangements in which it is the lessee. Rights to use assets owned by third parties under lease agreements are capitalised at the inception of the lease and recognised on the balance sheet. The corresponding liability to the lessor is recognised as a lease obligation. The carrying amount is subsequently increased to reflect interest on the lease liability and reduced by lease payments made. For calculating the discounted lease liability, the lessee's incremental borrowing rate is used. The incremental borrowing rate is calculated at the rate of interest at which the Company would have been able to borrow for a similar term and with a similar security the funds necessary to obtain a similar asset in a similar market.

Finance costs are charged to the income statement so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Variable rents are not part of the lease liability and the right of use asset. These payments are charged to the income statement as incurred. If modifications or reassessments occur, the lease liability and right of use asset are re-measured. Right of use assets are depreciated over the shorter of the useful life of the asset or the lease term.

The presentation of the lease payments in the cash flow statement has changed, resulting in an increase to the net cash inflow from operating activities, and hence free cash flow, and a corresponding increase in the net cash outflow from financing items (split between interest paid and repayment of lease liabilities).

d) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its assets 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 are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating units ("CGU"). The recoverable amount of an asset or CGU is the greater 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 asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e) Government grants and subsidies

Grants related to depreciable assets are treated as deferred income which is recognised in the Statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged.

Government Grants of revenue nature is reduced from related expenses in the statement of Profit and Loss in the year of its receipt or when there is a reasonable assurance of its being received.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

f) **Financial instruments**

Recognition initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI -debt investment;
- FVOCI -equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.
- if it meets both of the following conditions and is not designated as at FVTPL:
- the asset 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated -e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers not retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

g) **Equity instruments**

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

h) **Borrowing costs**

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred.

i) **Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

j) **Inventories**

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realisable value.

Raw materials, stock-in-trade and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, stock-in-trade, stores and spares and loose tools is determined on a weighted average cost method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

k) **Revenue recognition**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of goods

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, net of returns and allowances, trade discounts and volume rebates and excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and the receivable is recognized when it becomes unconditional.

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable and are also netted off for probable saleable and non-saleable return of goods from the customers, estimated on the basis of historical data of such returns.

Income from Services

The Company provides manufacturing and diagnostic services to other companies and customers. The income from these services is recognised when the same is performed and accepted by the other party on the basis of invoices.

Revenue from rendering of services is recognised over time where the Company satisfies the performance obligation over time or point in time where the Company satisfies the performance obligation at a point in time.

Contract Balances

Trade receivables: a receivable represents the Company's right to an amount of consideration that is unconditional.

Deferred Income: Income received where in the performance obligation is not satisfied. They are classified as contract liabilities and disclosed as Deferred Income.

Advance from customers: when a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised and disclosed as advances from customers.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Export Incentive

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported, and no significant uncertainty exist regarding its ultimate collection.

l) Foreign currencies

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- equity investments measured at fair value through other comprehensive income (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

m) Retirement and other employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Other Comprehensive Income. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated Absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

n) Income taxes

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 offset 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.

Minimum Alternate Tax (MAT) under the provision of Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is reasonable evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets- unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

o) Segment reporting

Identification of segments

The Company is operating only one business segment "pharmaceutical" as its primary segment. The analysis of geographical segments is based on the revenue generating locations. The geographical segment information of the company is categorized under domestic sales and export sales.

p) Earnings Per Share

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

q) Provisions, contingent liabilities and contingent assets

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount can not be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

r) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank including fixed deposits (having original maturity of less than 3 months), cheques in hand and cash in hand.

s) Measurement of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

The Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization, finance costs and tax expense.

4) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the Ind AS requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Company's disclosure of significant accounting policies which are provided in Note 3 to the standalone financial statements, 'Significant accounting policies'.

a. Estimate of current and deferred tax

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments.

b. Recognition of MAT credit entitlement

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Company.

c. Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

d. Estimation of useful life

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset based on its technical expertise. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

e. Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

f. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes. Central corporate treasury team works with various banks for determining appropriate fair value of derivative assets and liabilities. Central treasury team reports to the Chief Financial Officer. In estimating the fair value of derivative assets and liabilities, the Company uses market-observable data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes to financial statements.

g. Defined Benefit Plans:

The cost of the defined benefit gratuity plan and other post-employment benefits and present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

h. Impairment of assets

The Company reviews the carrying amounts of its property, plant and equipment, capital work in progress and intangible assets, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires company to estimate the Fair value less cost of disposal.

i. **Provision for anticipated sales return**

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on scientific basis after factoring in the historical data of such returns and its trend.

j. **Biological Assets**

Management uses inputs relating to production and market prices in determining the fair value biological assets.

5. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

(Currency : INR in Lakhs)

Particulars	Freehold Land	Leasehold Land	Building	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Leasehold Improv-ements	Total
At deemed cost/cost									
Balance as at 31 March 2018	**132.66**	**198.31**	**5,772.15**	**8,615.79**	**323.03**	**366.97**	**230.76**	**567.41**	**16,207.08**
Additions	-	-	470.53	3,564.14	99.66	49.91	227.93	-	4,412.17
Disposals	-	-	-	129.21	3.88	0.36	142.61	-	276.06
Balance as at 31 March 2019	**132.66**	**198.31**	**6,242.68**	**12,050.72**	**418.81**	**416.52**	**316.08**	**567.41**	**20,343.19**
Additions	-	-	35.19	589.61	17.20	56.47	15.20	-	713.67
Disposals	132.66	-	4,214.94	-	-	-	199.80	-	4,547.40
Reclassification under Ind AS 116	-	(198.31)	-	(842.37)	(72.28)	(26.10)	-	(567.41)	(1,706.47)
Balance as at 31 March 2020	**-**	**-**	**2,062.93**	**11,797.96**	**363.73**	**446.89**	**131.48**	**-**	**14,802.99**
Depreciation									
Balance as at 31 March 2018	**-**	**4.81**	**537.68**	**2,245.74**	**107.53**	**202.11**	**61.66**	**304.19**	**3,463.72**
Depreciation expense	-	2.40	162.11	652.98	37.86	69.60	31.62	148.78	1,105.35
Disposals	-	-	-	118.16	3.70	0.36	75.70	-	197.92
Balance as at 31 March 2019	**-**	**7.21**	**699.79**	**2,780.56**	**141.69**	**271.35**	**17.58**	**452.97**	**4,371.15**
Depreciation expense	-	-	143.14	756.80	32.22	70.23	36.76	-	1,039.15
Disposals	-	-	(583.45)	-	-	-	(53.04)	-	(636.49)
Reclassification under Ind AS 116	-	(7.21)	-	(826.60)	(42.84)	(21.89)	-	(452.97)	(1,351.51)
Balance as at 31 March 2020	**-**	**-**	**259.48**	**2,710.76**	**131.07**	**319.69**	**1.30**	**-**	**3,422.30**
Net book value									
Balance as at 31 March 2019	132.66	191.10	5,542.89	9,270.16	277.12	145.17	298.50	114.44	15,972.04
Balance as at 31 March 2020	**-**	**-**	**1,803.45**	**9,087.20**	**232.66**	**127.20**	**130.18**	**-**	**11,380.69**
Capital work-in-progress									
Balance as at 31 March 2019	-	-	352.58	371.41	13.61	1.44	-	-	739.04
Balance as at 31 March 2020	**-**	**-**	**925.48**	**195.50**	**1.01**	**0.74**	**-**	**-**	**1,122.73**

PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS (CONTINUED)

5.1 The Company has exercised the exemption/option given under para D13AA of Ind AS 101- First-time Adoption of Indian Accounting Standards, As per this option the company will continue the policy of recognising the exchange differences on long term foreign currency monetary items as per paragraph 46/46A of AS 11 and as per this the amount of such exchange (gain) / loss for the financial year ended 31 March 2020 aggregating Rs.Nil (31 March 2019 aggregating Rs.16.06 lakhs) has been capitalised to the specifically identifiable asset.

5.2 Refer note 18 on borrowings, for the details related to charge on Property,plant and equipment of the Company.

5.3 Capital work in progress comprises expenditure in respect of various plants in the course of construction. Total amount of Capital work in progress is Rs 1122.73 lakhs as at 31 March 2020 (31 March 2019: Rs 739.04 lakhs). This amount also includes capitalised borrowing costs related to the construction of various plants of Rs.35.64 lakhs (For the year ended 31 March 2019: Rs 12.69 lakhs).

5.4 For Research & Development addition, refer note 34

5A. RIGHT-OF-USE ASSETS

(Currency : INR in Lakhs)

Particulars	Leasehold Land	Building	Plant & Equipment	Furniture and fixtures	Office Equipment	Leasehold Improvements	Total
At deemed cost							
Balance as on 01st April, 2019	**198.31**	**-**	**842.37**	**72.28**	**26.10**	**567.41**	**1,706.47**
Additions	**-**	**1,704.82**	**-**	**-**	**-**	**-**	**1,704.82**
Disposals	0.38	-	-	-		-	0.38
Balance as at 31 March 2020	**197.93**	**1,704.82**	**842.37**	**72.28**	**26.10**	**567.41**	**3,410.91**
Depreciation							
Balance as on 01st April, 2019	**7.21**	**-**	**826.60**	**42.84**	**21.89**	**452.97**	**1,351.51**
Depreciation expense	2.40	390.10	11.83	17.14	2.91	68.80	493.18
Disposals	-	-		-		-	-
Balance as at 31 March 2020	**9.61**	**390.10**	**838.43**	**59.98**	**24.80**	**521.77**	**1,844.69**
Net book value							
Balance as at 31 March 2019	191.10	-	15.77	29.44	4.21	114.44	354.96
Balance as at 31 March 2020	**188.32**	**1,314.72**	**3.94**	**12.30**	**1.30**	**45.64**	**1,566.22**

5.1 Effective 1st April 2019, the Company adopted Ind AS 116 ""Leases"", using modified retrospective approach. Accordingly, the comparatives have not been retrospectively adjusted.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease. On transition, The Company has recognised new assets and liabilities for its operating leases of premises and other assets.

6. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

(Currency : INR in Lakhs)

Particulars	Quantity	Amount
Balance as at 31 March 2018	**666**	**77.35**
Purchases	103	15.85
Disposals	(96)	(7.80)
Change in fair value less cost to sell	-	(5.99)
Balance as at 31 March 2019	**673**	**79.41**
Purchases	75	9.65
Disposals	(215)	(19.39)
Change in fair value less cost to sell	-	(6.01)
Balance as at 31 March 2020	**533**	**63.66**

Notes

6.1 Measurement of Fair value

The Company's biological assets comprises of livestocks (ponies). Livestock is measured at fair value less costs to sell, with any resulting gain or loss recognized in the statement of profit and loss.

i) Fair Value hierarchy

The fair value measurements for livestocks has been categorised as Level 3 fair values based on the inputs to valuation technique used.

ii) Level 3 Fair values

The following table shows a break down of the total losses recognised in respect of Level 3 fair values-

Particulars	31-Mar-20	31-Mar-19
Loss included in statement of profit and loss	**19.39**	**7.80**

ii) Level 3 Fair values

The following table shows a break down of the total losses recognised in respect of Level 3 fair values-

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement / Sensitivity analysis
Livestock's (ponies)	Cost approach and expected depletion in value	Estimated feeding cost/ producing ponies	Estimated feeding cost/ producing ponies increase by 1% would reduce the fair valuation by Rs 0.06 lakhs and Rs 0.06 lakhs as of 31 March 2020 and 2019 respectively.
		Discount rate	Discount rate increase by 1 % would reduce the fair valuation by Rs 0.96 lakhs and Rs 0.84 lakhs as of 31 March 2020 and 2019 respectively.

6.1 Risk Management strategies related to its activities

The Company is exposed to the following risks relating to its activities:

i) Regulatory and environmental risks

The Company is subject to various local laws and regulations, and it has established policies and procedures aimed at ensuring compliance with the same.

ii) Supply and demand risks

The Company is exposed to risks arising from fluctuations in the price and volume of plasma.

iii) Climate and other risks

The Company's livestock is exposed to risk of adverse climatic conditions and diseases etc. The Company has extensive processes in place to address the risk by having an in-house veterinary doctor and dispensary, regular health checkups of livestock's.

7. INTANGIBLE ASSETS

(Currency : INR in Lakhs)

Particulars	Computer Software	Patents	Technical know-how	Total
At Deemed Cost				
Balance as at 31 March 2018	**469.69**	**59.41**	**9,137.64**	**9,666.74**
Additions	96.67	-	-	96.67
Disposals	-	-	-	-
Balance as at 31 March 2019	**566.36**	**59.41**	**9,137.64**	**9,763.41**
Additions	297.33	-	-	297.33
Disposals/De-recognitions	-	-	1,667.41	1,667.41
Balance as at 31 March 2020	**863.69**	**59.41**	**7,470.23**	**8,393.33**
Amortisation				
Balance as at 31 March 2018	**365.67**	**20.63**	**1,817.13**	**2,203.43**
Amortisation expense	79.25	8.23	1,125.53	1,213.01
Disposals	-	-	-	-
Balance as at 31 March 2019	**444.92**	**28.86**	**2,942.66**	**3,416.44**
Amortisation expense	65.95	8.23	875.32	949.50
Disposals/De-recognitions	-	-	562.75	562.75
Impairment loss	-	-	1,305.45	1,305.45
Balance as at 31 March 2020	**510.87**	**37.09**	**4,560.68**	**5,108.64**
Carrying Amount				
Balance as at 31 March 2019	**121.44**	**30.55**	**6,194.98**	**6,346.97**
Balance as at 31 March 2020	**352.82**	**22.32**	**2,909.55**	**3,284.69**
Intangible assets under development				
Balance as at 31 March 2019	144.16	18.08	617.64	779.88
Balance as at 31 March 2020	**9.91**	**18.08**	**50.76**	**78.75**

Notes

7.1 Intangible assets under development comprises expenditure in respect of various projects. Total amount of intangible under development is Rs.78.75 lakhs as at 31 March 2020 (Rs 779.88 lakhs as at 31 March 2019).

7.2 As a result of the Company's decision to impair few projects, projects related intangibles of Rs 1,305.45 lakhs was recorded as impairment loss under depreciation,impairment and amortisation expenses and projects related intangibles of Rs 1,104.66 lakhs and intangible assets under development amounting to Rs 566.89 lakhs was recorded as written off for the year ended 31 March 2020, under "other expenses" in the statement of profit and loss.

8. INVESTMENTS

(Currency : INR in Lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Nos.	Amount	Nos.	Amount
Non- current				
In Equity Shares Unquoted: [at cost less Provision for Dimunition in value of Investment]				
Investment in subsidiaries (fully paid)				
BSV Biosciences Inc., USA (Face Value of USD. 1 each)	**10,00,000**	**441.83**	**10,00,000**	**441.83**
BSV Biosciences GmbH, Germany (Face Value of EURO 100 each)	**10,250**	**860.26**	**10,250**	**860.26**
BSV Biosciences Philippines Inc., Philippines (Face Value of Pesso 1 each)	93,50,000	141.87	93,50,000	141.87
BSVLife Private Limited (formely known as Eurolife Regen Pvt Ltd) (fully paid up) (Face Value of Rs 10 each) [Impairment in value of investments Rs. 100 Lakhs (Rs. 100 lakhs as at 31st March 2019)]	1,000,000	100.00	10,00,000	100.00
Less: Provision for Dimunition in value of Investment	**(10,00,000)**	**(100.00)**	**(10,00,000)**	**(100.00)**
	1,03,60,250	1,443.96	1,03,60,250	1,443.96
Aggregate amount of unquoted investments		**1,543.96**		**1,543.96**
Aggregate amount for Diminution in value of investments		**100.00**		**100.00**

Notes

8.1 The non- current investments in unquoted equity shares of subsidiaries are stated at amortised cost.

8.2 During the year the company has contributed Rs... lakhs (P.Y) in wholly owned subsidiary .... By way of capital contibutnion.

9. LOANS

(Currency : INR in Lakhs)

		As at 31 March 2020	As at 31 March 2019
9A	**Non-current**		
	(Unsecured, Considered Good, unless otherwise stated)		
	Loans to employees	**7.98**	27.07
	Loans to subsidiary companies (refer note 40)	**2,209.17**	2,049.03
	Security Deposits	**903.94**	885.95
	Non-current total	**3,121.09**	2,962.05
9B	**Current**		
	(Secured, Considered Good, unless otherwise stated)		
	Inter-corporate deposits (refer note 9.1 below)- Secured	**828.60**	897.00
	(Unsecured, Considered Good, unless otherwise stated)		
	Security Deposits		
	- Considered good	**178.82**	459.19
	- Considered doubtful	**407.00**	347.00
	Less : Provision for doubtful deposits	**(407.00)**	(347.00)
	Loans to employees	**12.66**	17.16
	Current total	**1,020.08**	**1,373.35**
	Total	**4,141.17**	**4,335.40**

Notes

9.1 Secured by pledge of shares and personal guarantee by all directors in those companies and are given for business purposes.

9.2 Loans to subsidiary companies are given for business purposes.

10. OTHER FINANCIAL ASSETS

		As at 31 March 2020	As at 31 March 2019
10A	**Non-current**		
	(Unsecured, Considered Good unless otherwise stated)		
	"Margin money deposits with maturity beyond 12 months (Refer note 10.1 below)"	**468.14**	118.98
	Non-current total	**468.14**	118.98
10B	**Current**		
	(Unsecured, Considered Good unless otherwise stated)		
	Interest on Deposits, accrued but not due	**71.65**	28.09
	Interest accrued on loans but not due (Refer Note 40)	**537.20**	360.89
	Other receivables (Refer Note 40)	**251.94**	146.27
	Current total	**860.79**	535.25
	Total	**1,328.93**	**654.23**

Notes

10.1 Margin money deposits of Rs 468.14 lakhs (31 March 2019: Rs 118.98 lakhs) are under lien with the government tender.

11. INCOME TAXES

(Currency : INR in Lakhs)

(A) Components of Income Tax Expenses

(i) Amounts recognised in profit and loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax:		
Current year tax	1,353.89	3,142.60
	1,353.89	3,142.60
Deferred tax:		
Current year deferred tax		
Minimum Alternative Tax (MAT) credit entitlement	2,555.44	1,363.36
Origination and reversal of temporary differences	(1,539.31)	(53.09)
	1,016.13	1,310.27
Tax expense for the year	2,370.02	4,452.87

(ii) Amounts recognised in other comprehensive income

	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax (expenses)/ benefit	Net of tax	Before tax	Tax (expenses)/ benefit	Net of tax
Items that will not be reclassified to profit or loss – Remeasurements of the defined benefit plan	(286.25)	95.28	(190.97)	83.11	(28.76)	54.35

B. Reconciliation of effective tax rate

Particulars	%	For the year ended 31 March 2020	%	For the year ended 31 March 2019
Profit before tax		7,233.50		14,123.94
Tax using the Company's statutory tax rate	34.94%	2,527.38	34.94%	4,934.90
Tax effect of:				
Additional allowances under income tax in respect of Section 35(2AB)	-8.33%	(602.46)	-4.16%	(587.59)
Donation	-0.57%	(41.55)	0.64%	90.82
Profit on sale of assets	-4.25%	(307.74)	0.00%	-
Professional fees expenses related to stake sale	12.08%	873.60	0.00%	-
Others	-1.10%	(79.21)	0.10%	14.74
	32.8%	2,370.02	31.5%	4,452.87

11. INCOME TAXES (CONTINUED)

(Currency : INR in Lakhs)

(C) Movement in deferred tax assets and liabilities
For the year ended 31 March 2020

Particulars	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2020
Deferred Tax Liabilities				
Property, plant and equipment and Intangible asset	3,415.08	(1,609.57)	-	1,805.51
Expenditure covered by section 35 (2AB) of IT Act, 1961	246.12	(226.30)	-	19.82
	3,661.20	(1,835.87)	-	1,825.33
Deferred Tax Assets				
Trade Receivables	357.62	(34.73)	-	322.89
Employee benefits	838.36	(203.91)	95.28	729.73
MAT credit entitlement	2,555.44	(2,555.44)	-	-
Other provisions	426.19	(57.93)	-	368.26
	4,177.61	(2,852.01)	95.28	1,420.88
Net tax assets /(Liabilities)	516.41	(1,016.14)	95.28	(404.45)

For the year ended 31 March 2019

	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2019
Deferred Tax Liabilities				
Property, plant and equipment and Intangible asset	3,258.77	156.31	-	3,415.08
Expenditure covered by section 35 (2AB) of IT Act, 1961	229.37	16.75	-	246.12
	3,488.14	173.06	-	3,661.20
Deferred Tax Assets				
Trade Receivables	215.98	141.64	-	357.62
Employee benefits	724.61	142.51	(28.76)	838.36
MAT credit entitlement	3,918.80	(1,363.36)	-	2,555.44
Other provisions	484.19	(58.00)	-	426.19
	5,343.58	(1,137.21)	(28.76)	4,177.61
Net tax assets	1,855.44	(1,310.27)	(28.76)	516.41

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In India, in case income tax payable on book profit (that is Minimum alternate tax - 'MAT') exceeds the income tax payable on tax profit, the differential amount shall be carried forward as a MAT credit for a period of 15 years. The said MAT credit can be offset against any future income tax payable. The Company has carry forward amount of MAT of Rs. Nil as at 31 March 2020 ; Rs 2,555.44 lakhs as at 31 March 2019.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets.

D. Tax assets and liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Non Current tax assets (net)	1,571.12	261.53
Current tax liabilities (net)	20.24	262.69

12. OTHER ASSETS

(Currency : INR in Lakhs)

		As at 31 March 2020	As at 31 March 2019
12A	**Non-current**		
	(Unsecured, Considered Good unless otherwise stated)		
	Capital advances		
	Considered good	**7.69**	57.75
	Considered doubtful	**53.52**	62.95
	Less: Allowance for doubtful capital advances	**(53.52)**	(62.95)
	Balance with statutory/ Government authorities	**462.48**	462.48
	Prepaid expenses	**11.87**	48.69
	Non-current total	**482.04**	568.92
12B	**Current**		
	(Unsecured, Considered Good unless otherwise stated)		
	Export entitlements receivable	**606.26**	561.98
	Advances to Suppliers (other than related party)		
	Considered good	**1,090.91**	821.60
	Considered doubtful	**140.87**	**123.45**
	Less: Allowance for bad and doubtful advances to suppliers	**(140.87)**	**(123.45)**
	Advance to Suppliers-related parties (Refer Note 40)	**45.00**	**108.11**
	Advance to employees for expenses	**147.72**	**114.18**
	Prepaid expenses	**372.06**	**295.83**
	Balance with statutory/ Government authorities	**2,209.84**	**2,213.64**
	Other assets	**32.60**	**38.61**
	Current total	**4,504.39**	**4,153.95**
	Total	**4,986.43**	**4,722.87**

13. INVENTORIES

(Currency : INR in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Raw Materials	**5,492.58**	3,159.26
Packing materials	**953.49**	692.58
Work-in-progress	**4,720.83**	4,486.50
Finished goods	**2,725.26**	1,997.64
Stock-in-trade	**4,556.98**	3,261.37
Stores and Spares	**569.28**	513.48
Goods-in-Transit		
- Raw Materials	**-**	161.19
- Packing Materials	**7.57**	-
Total	**19,025.99**	14,272.02

Notes

13.1 The Company follows suitable provisioning norms for writing down the value of inventories towards slow moving, non moving, expired and non saleable inventory. Write down of inventory for the year ended 31 March 2020 is Rs.763.28 lakhs (31 March 2019: Rs.203.85 lakhs).

13.2 Refer Note 18 on Borrowings, for the details related to charge on inventories lying with the Company.

14. TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
(Unsecured)		
Considered good	**14,830.20**	14,729.76
Considered doubtful	**679.90**	490.00
Less: Allowance for expected credit loss	**(679.90)**	(490.00)
	14,830.20	14,729.76

Notes

14.1 Above Trade Receivables include amount due from related parties 31 March 2020 Rs. 2193.79 lakhs; (31 March 2019 Rs. 470.03 lakhs) - Refer Note 40

14.2 Refer Note 18 on Borrowings, for the details related to charge on Trade receivables.

15. CASH AND CASH EQUIVALENTS

(Currency : INR in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Cash on hand	6.97	12.85
Balances with Banks		
In current accounts	5,997.20	998.68
Term deposits with Original maturity less than 3 months	-	500.00
	6,004.17	1,511.53

16. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31 March 2020	As at 31 March 2019
Term deposits with maturity exceeding 3 months and less than 12 months	94.59	381.66
	94.59	381.66

Notes

16.1 Margin money deposits of Rs 94.59 Lakhs (31 March 2019: Rs 381.66 lakhs) are under lien with the government tender.

17. SHARE CAPITAL

17.1 EQUITY SHARE CAPITAL

	As at 31 March 2020		As at 31 March 2019	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity shares of Rs. 5/- each	1,97,67,800	988.39	1,97,67,800	988.39
Equity shares with differential voting right of Rs. 5/- each	200	0.01	200	0.01
	1,97,68,000	988.40	1,97,68,000	988.40
Issued, subscribed and fully paid up				
Equity share capital				
Equity shares of Rs.5/- each	1,80,21,937	901.10	1,88,39,134	941.96
Equity shares with differential voting right of Rs. 5/- each	100	0.01	100	0.01
	1,80,22,037	901.11	1,88,39,234	941.97

17.2 PREFERENCE SHARE CAPITAL

(Currency : INR in Lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Numbers	Amount	Numbers	Amount
Authorised				
0.01% Compulsory Convertible preference shares of Rs. 5/- each ('CCPS')	**9,20,000**	**46.00**	9,20,000	46.00
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - I ('CCPS-I')	**7,42,000**	**37.10**	7,42,000	37.10
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - II ('CCPS-II')	**13,50,000**	**67.50**	13,50,000	67.50
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - III ('CCPS-III')	**9,20,000**	**46.00**	9,20,000	46.00
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - IV ('CCPS-IV')	**4,00,000**	**20.00**	4,00,000	20.00
0.01% Convertible redeemable preference shares of Rs. 5/- each ('NCNCRPS')	**1,98,00,000**	**990.00**	1,98,00,000	990.00
	2,41,32,000	**1,206.60**	2,41,32,000	1,206.60
Issued, subscribed and fully paid up				
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - I ('CCPS-I')	**7,14,119**	**35.71**	7,14,119	35.71
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - II ('CCPS-II')	**10**	**-**	10	-
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - III ('CCPS-III')	**9,19,243**	**45.96**	9,19,243	45.96
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - IV ('CCPS-IV')	**3,69,135**	**18.46**	3,69,135	18.46
0.01% Compulsory Convertible preference shares of Rs. 5/- each ('CCPS')	**8,17,197**	**40.86**	-	-
	28,19,704	**140.99**	20,02,507	100.13

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period

	As at 31 March 2020		As at 31 March 2019	
	No of shares	Amount	No of shares	Amount
Equity shares:				
At the beginning of the period	**1,88,39,234**	**941.97**	1,88,39,234	936.76
Add: Issue of shares	**-**	**-**	-	5.21
Less: Shares extinguished on buyback	**8,17,197**	**40.86**	8,17,197	-
At the end of the period	**1,80,22,037**	**901.11**	1,80,22,037	941.97

Note : The buyback was offered to all eligible equity shareholders of the Company. The buyback of equity shares commenced on February 7, 2020 and was completed on February 14, 2020. During this buyback period, the Company had purchased and extinguished a total of 817197 equity shares at an average buy back price of Rs 1,536.1251 per equity share comprising 4.34 % of the pre-buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of Rs 15,477.55 lakhs (including buy back tax but excluding transaction costs). The Company funded the buyback from its free reserves. In accordance with Section 69 of the Companies Act, 2013, the Company has created a Capital Redemption Reserve' of Rs 40.86 lakhs equal to the nominal value of the above shares bought back as an appropriation from general reserve.

17.2 PREFERENCE SHARE CAPITAL (CONTINUED)

(Currency : INR in Lakhs)

(b) Reconciliation of the number of preference shares outstanding at the beginning and at the end of the period:

	As at 31 March 2020		As at 31 March 2019	
	No of shares	Amount	No of shares	Amount
Preference shares: (Refer Note : 17 (c))				
CCPS - I				
At the beginning of the period	**7,14,119**	**35.71**	7,14,119	35.71
Less: Conversion of CCPS I to equity shares	**-**	**-**	-	-
At the end of the period	**7,14,119**	**35.71**	7,14,119	35.71
CCPS - II				
At the beginning of the period	**10**	**0.00**	10	0.00
Less: Conversion of CCPS II to equity shares	**-**	**-**	-	-
At the end of the period	**10**	**0.00**	10	0.00
CCPS - III				
At the beginning of the period	**9,19,243**	**45.96**	9,19,243	45.96
Less: Conversion of CCPS III to equity shares	**-**	**-**	-	-
At the end of the period	**9,19,243**	**45.96**	9,19,243	45.96
CCPS - IV				
At the beginning of the period	**3,69,135**	**18.46**	3,69,135	18.46
Less: Conversion of CCPS IV to equity shares	**-**	**-**	-	-
At the end of the period	**3,69,135**	**18.46**	3,69,135	18.46
CCPS				
At the beginning of the period	**-**		-	-
Add: Fresh issue of CCPS**	**8,17,197**	**40.86**	-	-
At the end of the period	**8,17,197**	**40.86**	-	-

(*) Amount less than Rs 1000

** During the year, the Company allotted 817,197 Compulsory Convertible Preference Shares of Rs 5 each at an issue price of Rs. 1893.9808 per share including premium of Rs 1888.9808 per share to Aksipro Diagnostic Pvt. Ltd.

Shares bought back (during 5 financial years immediately preceding 31 March 2020)

	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16
Equity Shares bought back	8,17,197		-	-	2,61,686

c. **Rights and terms attached to equity shares**

The Company has two class of equity shares viz. Ordinary Equity Shares and Differential Voting Rights Shares (DVRS), each having par value of Rs.5 per share. The holder of ordinary equity shares is entitled to one vote per share, however, the holder of DVRS is entitled to 14,580 votes per share. The Company declares and pays dividends on shares in Indian rupees. The dividend proposed on ordinary shares by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

d. Pursuant to the Scheme of Amalgamation approved by the Hon National Company Law Tribunal Mumbai Bench in Financial year 2018-19, 197,69,917 0.01% Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of Rs 5/- each were issued to the eligible shareholders without consideration otherwise would have been received in cash. After obtaining approval of such Shareholders under the terms of issue, the shares under reference have since been redeemed at a price of Rs. 1.10 per share during the financial year 2019-2020. In accordance with the provisions of Section 55 of the Companies Act, 2013 ,the company has created Capital Redemption Reserve of Rs 988.50 lakhs out of the profits represented by General Reserve being equivalent to the nominal value of the shares so redeemed.

17. SHARE CAPITAL (CONTINUED)

d. Rights and terms of conversion / redemption of Preference Shares

The Company has two class of preference shares viz. 1. Compulsorily Convertible Cumulative Preference Shares (CCPS) Series I, Series II, Series III and Series IV and 2. Compulsorily Convertible Cumulative Preference Shares (CCPS). The brief terms for CCPS under Sr No 1, are as under:

Terms	CCPS
1. Face Value	Rs.5 per share
2. Dividend Rights	Preferential Dividend @ 0.01% coupon rate and Participatory dividend equivalent to Equity Dividend. In the event the Company does not pay the preferential dividend for any Financial Year, the same shall be cumulated and paid along with the preferential dividend declared and paid in the succeeding years.
3. Tenure	20 years from the date of issue
4. Conversion Ratio	Each CCPS shall be converted into 1 (one) Equity Share of the Company
5. Conversion Right	Upon occurrence of a QIPO/IPO or Strategic Sale, holders of CCPS shall be converted into Equity Shares of the Company.
6. Conversion Mechanism	1. CCPS holder needs to issue Conversion Notice to the Company along with original Share Certificate.
	2. Upon receipt of Conversion Notice, Company to initiate conversion process.
	3. Company to issue Equity Share Certificate within 30 days of conversion.
6. Buyback/Redemption Right	Holder has a right to get CCPS purchased by the Company as per the terms of Shareholder's Agreement.
7. Compulsory Conversion/ Redemption	At the expiry of tenure of the CCPS
8. Liquidation Right	In the event of liquidation of the company before conversion/ redemption of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.
9. Pari Passu Participation Right	The CCPS holder shall have a right to participate in sharing the surplus remaining available post distribution of the face value to the holders of Equity Shares.

17. SHARE CAPITAL (CONTINUED)

d. Rights and terms of conversion / redemption of Preference Shares

The brief terms for CCPS under Sr No 1, are as under:

Terms	CCPS
1. Face Value	Rs.5 per share
2. Dividend Rights	Minimum Cumulative Preferential Dividend @ 0.001% appropriately adjusted for any bonus shares, share split, reclassification, recapitalization, consolidation or similar event affecting the CCPS
3. Tenure	Earlier of: (i) the completion of a period of 20 (Twenty) years from the date of its issue; or (ii) the consummation of an initial public offering of the securities of the Company
4. Conversion Ratio	No. of Equity Shares on conversion of 1 CCPS = (CCPS issue price i.e. CCPS Face Value + CCPS Premium)/Conversion Price
5. Conversion Price	Conversion Price means the price per Equity Share as determined pursuant to paragraph 9 of Part A of Schedule 5 of SPSA dated November 18, 2019 and ammendment/addendum, if any.
6. Conversion Right	CCPS may be converted into Equity shares of the Company any time at the option of CCPS holder. Notwithstanding the other terms of issue of the CCPS, the CCPS shall immediately and automatically be converted into Equity Shares on the earlier of: (i) the completion of a period of 20 (Twenty) years from the date of its issue; or (ii) the consummation of an initial public offering of the securities of the Company.
7. Conversion Mechanism	1. CCPS holder needs to issue Conversion Notice to the Company along with original Share Certificate.
	2. Upon receipt of Conversion Notice, Company to initiate conversion process, subject to application for government approvals, if any
	3. Company to issue Equity Share Certificate within 10 days of the date of the Conversion Notice and receipt of all Government approvals.
8. Compulsory Conversion/ Redemption	The CCPS shall immediately and automatically be converted into Equity Shares on the earlier of: (i) the completion of a period of 20 (Twenty) years from the date of its issue; or (ii) the consummation of an initial public offering of the securities of the Company.
9. Liquidation Preference	Liquidation preference can be made to the CCPS holder within the time periods mentioned as per the terms of SPSA dated November 18, 2019 and ammendment/addendum, if any.
10. Liquidation Right	In the event of a dissolution or winding up, the proceeds available for distribution to shareholders of the Company shall be paid or distributed in a manner such that each holder of CCPS shall be entitled, on a pari passu basis and subject to applicable law, to receive in respect of each CCPS then held by such holder, prior and in preference to any distribution of any assets or funds or proceeds to the holders of the Equity Shares or any other securities, an amount (the "Preference Amount") equal to 100% of the issue price of such CCPS plus any arrears of declared and accrued but unpaid dividends calculated to the date of such payment.

(Currency : INR in Lakhs)

17. SHARE CAPITAL (CONTINUED)

e. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of Rs.5 each fully paid				
Aksipro Diagnostic Pvt. Ltd.	1,26,03,084	69.93%	9,27,864	4.93%
Gautam V. Daftary	-	-	30,18,745	16.02%
Bharat V. Daftary	7,78,400	4.32%	30,18,745	16.02%
Bharat V. Daftary Jt. Bhavna Daftary	13,00,704	7.22%	18,30,322	9.72%
Gautam V. Daftary Jt. Aarti Daftary	12,41,508	6.89%	18,30,322	9.72%
Aarti Daftary Jt. Gautam Daftary	4,67,299	2.59%	10,43,847	5.54%
Bhavna Daftary Jt. Bharat Daftary	6,30,012	3.50%	10,43,847	5.54%
Orbimed Asia Mauritius Limited	-	-	20,75,017	11.01%
Orbimed Asia II Mauritius FVCI Investments Limited	-	-	12,64,554	6.71%
Siro Clinpharm Pvt ltd	10,00,000	5.55%		
DVRS of Rs.5 each fully paid				
Kotak India Prviate Equity Fund III (Kotak II)	-	-	50	50.00%
Orbimed Asia II Mauritius FVCI Investments Limited	-	-	50	50.00%
Aksipro Diagnostic Pvt. Ltd.	100	100.00%	-	-
CCPS-I of Rs.5 each fully paid				
Kotak India Private Equity Fund III (Kotak II)	-	-	7,14,119	100.00%
Aksipro Diagnostic Pvt. Ltd.	7,14,119	100.00%	-	-
CCPS-II of Rs.5 each fully paid				
Orbimed Asia Mauritius Limited	-	-	10	100.00%
Aksipro Diagnostic Pvt. Ltd.	10	100.00%	-	-
CCPS-III of Rs.5 each fully paid				
Orbimed Asia II Mauritius FVCI Investments Limited	-	-	9,19,243	100.00%
Aksipro Diagnostic Pvt. Ltd.	9,19,243	100.00%	-	-
CCPS-IV of Rs.5 each fully paid				
Orbimed Asia II Mauritius FVCI Investments Limited	-	-	68,000	18.42%
Kotak India Private Equity Fund III (Kotak II)	-	-	64,373	17.44%
Kotak Mahindra Life Insurance Company Limited (KLI)	-	-	1,49,304	40.45%
Kotak India Growth Fund III (Kotak India)	-	-	87,458	23.69%
Aksipro Diagnostic Pvt. Ltd.	3,69,135	100.00%	-	-
CCPS of Rs.5 each fully paid				
Aksipro Diagnostic Pvt. Ltd.	8,17,197	100.00%	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

17A. OTHER EQUITY

(Currency : INR in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Capital Reserve	(2,554.81)	(2,554.81)
Capital Redemption Reserve	1,077.41	48.05
Securities Premium Reserve	13,496.57	10,572.19
General Reserve	5,021.91	6,051.27
Deemed Capital Contribution	780.53	780.53
Retained Earnings	34,359.52	32,925.61
Total	**52,181.13**	**47,822.84**

17A-1. CAPITAL RESERVE

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	(2,554.81)	(2,554.81)
Add/(Less): Additions/ (Deductions) during the year	-	-
Closing Balance	(2,554.81)	(2,554.81)

17A-2. CAPITAL REDEMPTION RESERVE

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	48.05	48.05
Add/(Less): Additions/ (Deductions) during the year (Refer Note 17.2.a and 17.2.d)	1,029.36	-
Closing Balance	1,077.41	48.05

17A-3. SECURITIES PREMIUM RESERVE

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	10,572.19	10,572.19
Issue of Compulsory Convertible Preference Shares (Refer note 17.2.b)	15,436.69	-
Buyback of equity shares (Refer note 17.2.a)	(12,512.31)	-
Closing Balance	13,496.57	10,572.19

17A-4. GENERAL RESERVE

(Currency : INR in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	6,051.27	5,648.27
Add: Transfer from Retained Earnings	-	403.00
Less: Transfer to Capital Redemption Reserve (Refer Note 17.2.a and 17.2.d)	(1,029.36)	-
Closing Balance	5,021.91	6,051.27

17A-5. DEEMED CAPITAL CONTRIBUTION

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	780.53	-
Add: Equity Component of compound financial instrument	-	780.53
		-
Closing Balance	780.53	780.53

17A-6. RETAINED EARNINGS

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	32,925.61	24,228.21
Add : Profit for the year	4,863.48	9,671.07
Add : Other Comprehensive Income for the year, net of tax	(190.97)	54.35
Less : Dividend on Equity Shares	(235.49)	(468.38)
Less : Dividend on Preference Shares	(25.14)	(50.07)
Less : Corporate Tax on Dividend	(53.58)	(106.57)
Less : Corporate Tax on Buyback	(2,924.39)	
Less : Transfer to General Reserve	-	(403.00)
Closing Balance	34,359.52	32,925.61

18. BORROWINGS

(Currency : INR in Lakhs)

		As at 31 March 2020	As at 31 March 2019
18A	**Non- Current Borrowings**		
	Secured:		
	Term Loan		
	From Banks		
	-Foreign Currency Loan	**1,045.26**	1,921.86
	-Vehicle Loan	**-**	37.14
	Term loan from department of biotechnology	**-**	216.34
	Finance lease obligations (Refer Note 35)	**-**	399.67
	Unsecured		
	Loan from Department of Science and Technology	**-**	266.49
	0.01% Non Convertible Non Cumulative Redeemable Preference Shares of Rs. 5/- each ('NCNCRPS') (Refer Note 17.2 (d))	**-**	207.97
	Total Non-Current Borrowings	**1,045.26**	3,049.47
	Less : Amount disclosed under the head "Other current financial liabilities"	**870.00**	1,241.43
	Less : Current maturities of finance lease obligations	**-**	184.91
	Non- Current Borrowings	**175.26**	1,623.13
18B	**Current Borrowings**		
	Secured		
	Buyers credit from banks	**416.87**	438.17
	Unsecured		
	Loan from directors (Refer Note 40)	**106.78**	106.78
	Current Borrowings	**523.65**	544.95

18.1 Foreign Currency Term Loans were taken from Exim bank and are secured by way of the hypothecation of movable assets and the first pari-passu charge on immovable assets of the Company situated at Ambernath Plant and second charge on current assets of the Company. Terms of repayment are as under:

Bank name	Rate of interest p.a	No. of instalments pending	Instalment Amount per quarter (Amount in USD Lakhs)	Commencement from
Exim Bank	6 month Libor +300 BPS	4	2.88	Sep-17
Exim Bank	6 month Libor +300 BPS	1	2.54	Sep-17

18.2 Loan from Department of Biotechnology is secured by way of the hypothecation of movable assets. The loan carries interest at the rate of 3% p.a. and is repayable in 10 equal instalments of Rs.94.30 lakhs commencing from July 2012. The loan has been fully repaid during the year.

18.3 Loan from Department of Science and Technology carries interest at the rate of 3% p.a. and is repayable in 10 equal instalments of Rs.65.69 lakhs and Rs.70.70 lakhs each commencing 1 April 2009 and 1 Apr 2011 for two projects .The loan has been fully repaid during the year.

18.4 Vehicle loan of Rs. 53.91 Lakhs carries interest rate 9.25% p.a. and is repayable in 12 equal monthly instalments of Rs.4.72 lakhs commencing October 2018 and Loan of Rs. 37.00 Lakhs interest rate 9.00% p.a. and is repayable in 12 equal monthly instalments of Rs.3.24 lakhs commencing July 2018.The loan has been fully repaid during the year.

Current Borrowing

18.5 Cash credit, buyers credit, packing credit foreign currency, foreign bill discounting & working capital demand loan from banks are secured by way of hypothecation of raw material, packing material, materials under process, finished goods, book debts, machinery; and second pari passu charge on the immovable assets of the Company situated at Ambernath Plant. All these loans are repayable on demand.

18.6 The cash credit carries interest of 8.55% to 9.50% p.a.

18.7 The buyers credit from banks carries interest rate of 3 month EURIBOR+2.25% to 6 month EURIBOR+2.85%

18.8 The Company has not defaulted on repayment of loans and interest during the year except

Particulars	Due Date	Actual Payment Date	Default Day	Instalment Amt
DST-104/05-06	01/04/2019	02/04/2019	1	69,63,988
DST-78/05-06	01/04/2019	02/04/2019	1	74,94,200

The Company has repaid both the loans during the year. However, some of the repayments were done at the dates later than due dates. Therefore , the Company has paid Rs 75.62 lakhs during the year as interest due to delayed repayments over term of the loan.

19. OTHER FINANCIAL LIABILITIES

(Currency : INR in Lakhs)

		As at 31 March 2020	As at 31 March 2019
19	**Current**		
	Current maturities of long-term debt	**870.00**	1,241.43
	Current maturities of finance lease obligations	**-**	184.91
	Security Deposit	**1,289.41**	1,780.65
	Interest accrued but not due on borrowings	**5.17**	162.69
	Salary payable	**7.90**	85.60
	Bonus payable	**402.30**	256.46
	Unpaid incentives	**376.46**	723.11
	Capital creditors	**202.63**	184.18
	Current total	**3,153.87**	4,619.03

20. OTHER LIABILITIES

		As at 31 March 2020	As at 31 March 2019
20A	**Non-Current**		
	Deferred income		
	Licencing income	**187.82**	204.68
	Government Grant (Refer note 43)	**218.14**	281.94
	Concessional loan	**-**	41.99
	Non-current total	**405.96**	528.61
20B	**Current**		
	Advances from customers	**557.24**	293.87
	Statutory liabilities		
	TDS payable	**168.40**	176.17
	Others	**152.73**	110.80
	Deferred income		
	Licencing income	**17.86**	17.86
	Government Grant (Refer note 43)	**63.79**	63.79
	Concessional loan	**-**	30.86
	Current total	**960.02**	693.35
		1,365.98	1,221.96

21. PROVISIONS

(Currency : INR in Lakhs)

		As at 31 March 2020	As at 31 March 2019
21A	**Non-current**		
	Provision for employee benefits		
	Compensated absences	**1,599.23**	948.50
	Gratuity (Refer note 28A)	**524.45**	457.19
	Provision for anticipated sales returns (Refer note below)	**481.85**	606.33
	Non-current total	**2,605.53**	2,012.02
21B	**Current**		
	Provision for employee benefits		
	Compensated absences	**334.33**	820.38
	Gratuity (Refer note 28A)	**441.24**	173.06
	Provision for anticipated sales returns (Refer note below)	**643.70**	639.22
	Current total	**1,419.27**	1,632.66
		4,024.80	3,644.68

Note :Additional disclosures relating to provision for sales return : (as per Indian Accounting Standard (Ind AS 37))

	As at 31 March 2020	As at 31 March 2019
At the commencement of the year	1,245.55	1,025.55
Provision made during the year	519.22	1,016.57
Provision utilised during the year	(639.22)	(796.57)
Closing balance	**1,125.55**	**1,245.55**

22. TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
Trade payables		
Due to Micro and Small Enterprises	**39.29**	43.38
Other than Micro and Small Enterprises	**6,441.71**	5,921.95
	6,481.00	5,965.33

Notes:

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note :Additional disclosures relating to provision for sales return : (as per Indian Accounting Standard (Ind AS 37))

	As at 31 March 2020	As at 31 March 2019
Principal amount and interest due:		
i) Principal amount	**39.29**	43.38
ii) Interest due	**0.36**	0.49
iii) Interest paid by Buyer in terms of section 16 of MSMED Act	-	-
iv) Amount paid beyond the appointed day	-	-
v) Interest due and payable to supplier, for payment already made under MSMED Act	**5.54**	**4.69**
vi) Amount of Interest accrued and remaining unpaid at the end of accounting year	**5.90**	**4.20**
vii) Amount of further interest remaining due and payable even in succeeding years	-	-

23. REVENUE FROM OPERATIONS

(Currency : INR in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Sale of Products (A)		
(i) Principal amount	**63,666.28**	65,658.19
(ii) Interest due	**15,076.34**	12,200.85
Sale of Products (A)	**78,742.62**	**77,859.04**
Other operating revenue (B)		
(i) Export entitlements	**846.05**	**691.79**
(ii) Others	**378.24**	**212.12**
	1,224.29	**903.91**
Total (A)+(B)	**79,966.91**	**78,762.95**

Note: Revenue from operations is through contract entered between customer and the company.

24. OTHER INCOME

	As at 31 March 2020	As at 31 March 2019
Interest income on		
- Bank deposits	**81.42**	31.01
- Other financial assets at amortised cost	**260.72**	218.23
Exchange gain on foreign currency fluctuations (net)	**831.31**	**154.50**
Profit on sale of fixed assets (net of stamp duties)	**837.26**	**9.55**
Miscellaneous income	**173.92**	**451.32**
	2,184.63	**864.61**

(Currency : INR in Lakhs)

25. COST OF MATERIALS CONSUMED

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials consumed		
Opening Stock	3,320.45	4,195.25
Purchases	20,936.06	15,869.56
Less : Closing Stock	5,492.58	3,320.45
Total Raw material consumed (A)	18,763.93	16,744.36
Packing materials consumed		
Opening Stock	692.58	644.56
Purchases	2,550.88	2,252.57
Less : Closing Stock	961.06	692.58
Total Packing material consumed (B)	2,282.40	2,204.55
Total consumption (A+B)	21,046.33	18,948.91

26. PURCHASES OF STOCK-IN-TRADE

Particulars	As at 31 March 2020	As at 31 March 2019
Purchases of Stock-in-Trade		
a. Injectables	4,152.63	4,710.17
b. Others	5,310.71	4,999.56
Purchases of Stock-in-Trade	9,463.34	9,709.73

27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	As at 31 March 2020	As at 31 March 2019
Closing inventories (A)		
Finished goods	2,725.26	1,997.64
Work-in-progress	4,720.83	4,486.50
Stock-in-trade	4,556.98	3,261.37
	12,003.07	9,745.51
Opening inventories (B)		
Finished goods	1,997.64	1,753.53
Work-in-progress	4,486.50	3,835.04
Stock-in-trade	3,261.37	2,151.10
	9,745.51	7,739.67
	(2,257.56)	(2,005.84)

(Currency : INR in Lakhs)

28. EMPLOYEE BENEFITS EXPENSE

Particulars	As at 31 March 2020	As at 31 March 2019
Salaries, wages and bonus		
Contribution to provident funds and other funds	**14,497.33**	11,973.06
Gratuity expense	**720.14**	603.54
Employees' welfare expenses	**272.15**	356.09
	422.67	404.84
	15,912.29	13,337.53

DISCLOSURE OF EMPLOYEE BENEFITS AS PER INDIAN ACCOUNTING STANDARD (IND AS 19)

28A. DEFINED BENEFIT PLAN

i) Gratuity

The Company operates a defined gratuity plan for its employees. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefit expenses recognised in the employee cost

Defined benefit plan	Gratuity	
	As at 31 March 2020	As at 31 March 2019
Expenses recognised in the statement of profit and loss for the year		
Current service cost	**226.84**	204.53
Past service cost	**-**	113.82
Benefits Paid	**-**	-
Interest cost (net)	**45.31**	37.74
Expenses recognised in the statement of profit and loss	272.15	356.09

28A. DEFINED BENEFIT PLAN (CONTINUED)

(Currency : INR in Lakhs)

i) Gratuity (Continued)

	As at 31 March 2020	As at 31 March 2019
Remeasurements recognised in other comprehensive income		
Loss / (Gain) recognized for the period	227.64	(76.65)
Return on Plan Assets excluding net Interest	58.61	(6.46)
Expense / (income) recognised in other comprehensive income	286.25	(83.11)
Benefit assets / liabilities		
Present value of defined benefit obligation	(1,946.49)	(1,524.15)
Fair value of plan assets	980.80	893.90
Plan asset / (liability)	(965.69)	(630.25)
Reconciliation of present value of the defined benefit obligation :		
Opening defined benefit obligation	1,524.15	1,299.82
Current service cost	226.84	204.53
Interest cost	109.57	96.45
Benefits paid	(141.71)	-
Actuarial (gains) / losses recognised in other comprehensive income	227.64	(76.65)
Closing defined benefit obligation	1,946.49	1,524.15
Reconciliation of present value of plan assets :		
Opening fair value of plan assets	893.90	753.73
Return on plan assets recognised in other comprehensive income	(58.61)	6.47
Interest Income	64.26	58.70
Contributions by employer	110.00	75.00
Benefits paid	(28.75)	-
Closing fair value of plan assets	980.80	893.90

28A. DEFINED BENEFIT PLAN (CONTINUED)

(Currency : INR in Lakhs)

i) **Gratuity** **(Continued)**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at 31 March 2020	As at 31 March 2019
Gratuity fund (Kotak Mahindra Old Mutual life Insurance Ltd.)	**100%**	100%

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Years of service	31 March 2020	31 March 2019
Discount rate		6.43%	7.19%
Expected rate of return on assets		6.43%	7.19%
Salary escalation rate (p.a.)		9.00%	9.00%
Employee turnover (Years of service)	0 to 5 yrs	20.00%	20.00%
	5 to 10 yrs	15.00%	15.00%
	10 to 20 yrs	10.00%	10.00%
	20 to 42 yrs	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Gratuity					
Defined benefit obligation	**1,946.49**	**1,524.15**	**1,299.82**	**1,117.38**	**801.19**
Plan assets	**980.80**	**893.90**	**753.73**	**758.31**	**581.94**
Surplus / (deficit)	**(965.69)**	**(630.25)**	**(546.09)**	**(359.07)**	**(219.25)**
Experience adjustments on plan assets	**(58.61)**	**6.47**	**(8.54)**	**25.81**	**(10.93)**

28 DISCLOSURE OF EMPLOYEE BENEFITS AS PER INDIAN ACCOUNTING STANDARD (IND AS 19) (CONTINUED)

The management has relied on the overall actuarial valuation conducted by the actuary.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations

Salary Escalation Rate: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Period Ended 31-Mar-20		Period Ended 31-Mar-19	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Impact of increase in 100 bps on DBO	(132.59)	124.65	(105.04)	95.06
Impact of decrease in 100 bps on DBO	151.26	(114.98)	120.15	(88.20)

28 DISCLOSURE OF EMPLOYEE BENEFITS AS PER INDIAN ACCOUNTING STANDARD (IND AS 19) (CONTINUED)

ii) Leave encashment

Amount of Rs. 379.14 Lakhs (31 March 2019 Rs. 289.42 Lakhs) is recognised as an expense and included in "Employee benefits" in the Statement of profit and loss.

Actuarial assumptions	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Discount rate	6.43%	7.19%	7.42%	6.67%	8.00%
Salary escalation rate (p.a.)	9.00%	9.00%	9.00%	9.00%	7.50%
Leave availment rate (p.a.)	2.00%	-	-	-	-

B Defined contribution plans:

The Company makes contributions towards provident fund, Employee Pension Scheme and Employee State Insurance Scheme to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The provident fund, Employee Pension Scheme and Employee State Insurance Scheme is operated by the Government administered employee provident fund. Eligible employees receive the benefits from the said provident fund, Employee Pension Scheme and Employee State Insurance Scheme.

Amount of Rs. 720.14 Lakhs (31 March 2019 Rs. 603.54 Lakhs) is recognised as an expense and included in "Employee benefits" in the Statement of profit and loss.

29. OTHER EXPENSES

(Currency : INR in Lakhs)

Particulars		As at 31 March 2020	As at 31 March 2019
Accessories and consumables		899.07	1,006.52
Animal feeding and maintenance		190.78	192.84
Contract labour charges		731.48	589.13
Power and fuel		1,562.38	1,409.02
Freight and forwarding charges		1,253.89	1,304.18
Rent		73.76	370.39
Rates and taxes		374.81	214.35
Insurance		321.14	306.10
Repairs and maintenance:			
- Plant and machinery		328.80	374.87
- Buildings		336.67	306.56
- Others		52.41	74.47
Advertising and sales promotion		2,522.80	2,441.18
Sales Commission		2,792.51	2,991.01
Travelling and conveyance		2,824.14	2,742.77
Legal and professional fees		4,749.68	1,638.94
Printing and stationary		157.81	75.12
Payment to auditors (Refer Note : 29 A)		77.70	48.06
Analytical and inspection charges		476.78	645.98
Provision for doubtful debts		189.90	240.00
Provision for doubtful advance and deposits		67.99	165.33
Bad debts	235.10		
Less: Provision for doubtful debts reversed	-	235.10	-
Research and development expenses (Refer Note : 34)		2,474.24	3,249.85
Biological assets written off (Refer Note:6)		19.39	7.80
Intangibles under development written off (Refer Note:7)		566.89	-
Intangibles assets written off (Refer Note:7)		1,104.66	-
Sundry balances written off		16.53	422.97
Distribution expenses		194.34	213.18
Corporate Social Responsibility (CSR) expenditure (Refer Note 38)		295.27	247.54
Bank charges		50.00	101.68
Miscellaneous expenses		1,390.81	959.81
		26,331.73	22,339.65

(Currency : INR in Lakhs)

29A. PAYMENT TO AUDITORS

Particulars	As at 31 March 2020	As at 31 March 2019
Auditors' remuneration		
Statutory Audit fees	35.00	35.00
Limited Review	23.00	-
Fees for certification	7.00	8.08
Taxation matters	7.00	-
Reimbursement of out-of-pocket expenses	1.20	0.48
Tax audit fees	4.50	4.50
	77.70	48.06

30. FINANCE COSTS

Particulars	As at 31 March 2020	As at 31 March 2019
Interest expenses on		
- Bank overdraft and others	377.31	741.33
Interest in respect of financial lease liability (Refer note 35)	156.90	-
Other borrowing cost	94.41	107.96
	628.62	849.29

31. DEPRECIATION,IMPAIRMENT AND AMORTISATION EXPENSE

Particulars	As at 31 March 2020	As at 31 March 2019
Depreciation of property, plant and equipment (Refer note 5)	1,039.15	1,105.35
Depreciation of Right of Use Asset (Refer note 5A)	493.18	-
Impairment of Intangible assets (Refer Note:7)	1,305.45	-
Change in fair value of biological asset (Refer note 6)	6.01	5.99
Amortisation of intangible assets (Refer note 7)	949.50	1,213.01
	3,793.29	2,324.35

32. CONTINGENT LIABILITIES NOT PROVIDED FOR

Sr No.	Particulars	As at 31 March 2020	As at 31 March 2019
A	**Claims against Company not acknowledged as debt:**		
	Service tax demand disputed in appeal; advances paid in dispute Rs 75 Lakhs (31 March 2019 Rs 75 Lakhs)	**796.88**	397.24
	"Income tax demand disputed in appeal; advances paid in dispute Rs Nil (31 March 2019 Rs Nil)"	1,056.53	935.25
B	Guarantees given by Company in favour of Subsidiaries to Banks (Refer Note 40)	2,421.85	2,185.65
		4,275.26	3,518.14

Notes

32.1 Management considers that the service tax and income tax demands received from the authorities are not tenable against the Company, and therefore no provision for these tax contingencies have been made.

32.2 The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statement. The Company does not expect the outcome of these proceedings to have materially adverse effect on its financial statements.

32.3 The Bank Guarantees given are for business purpose.

33. COMMITMENTS

Sr No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	**Estimated amount of contracts remaining to be executed on Capital Accounts -net off advance paid Rs 29.60 Lakhs (31 March 2019 Rs 77.70 Lakhs)**	**225.86**	509.99

34. RESEARCH AND DEVELOPMENT

Research expenses incurred during the year and debited to statement of profit and loss aggregating Rs.3218.63 Lakhs (31 March 2019 : Rs. 3,936.27 Lakhs). The details of research and development expenditure are as under:

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
A) Revenue expenditure			
i) Salary, wages and other benefits	28	**744.39**	686.42
ii) Research and development expenditure	29		
Chemicals and accessories		**458.53**	**635.61**
Analytical and Inspection		1,162.51	1,388.42
Clinical trial Charges		**287.77**	**416.85**
Repairs and maintenance		**97.43**	**117.35**
Patent expenses Foreign		**11.39**	**73.30**
Patent expenses Domestic		**13.72**	**86.36**
Rent		-	**131.87**
Electricity		**151.81**	**90.67**
Other expenses		**291.08**	**309.42**
		2,474.24	**3,249.85**
Total revenue expenditure (i+ii)		**3,218.63**	**3,936.27**
B) Capital expenditure			
Lab Equipments		**101.63**	**107.75**
Furniture and Fixtures		-	**0.81**
Total capital expenditure		**101.63**	**108.56**
Total research and development expenditure (A + B)		**3,320.26**	**4,044.83**

35. LEASES

Effective 1st April 2019, the Company adopted Ind AS 116 "Leases", using modified retrospective approach. Accordingly, the comparatives have not been retrospectively adjusted.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease.

On Transition, The Company has recognised new assets and liabilities for its operating leases of premises and other assets.

Operating Lease:

i) Lease liabilities were measured at the present value of the remaining lease payments, discounted at the 8.55 % Company's incremental borrowing rate as at 1 April 2019.

(ii) Right-of-use assets are measured at an amount equal to the lease liability.

(iii) The nature of expenses related to those leases changed from lease rent in previous periods to
(a) amortization charge for the right-to-use asset, and
(b) interest accrued on lease liability.

(iv) The Company used a practical expedients when applying Ind AS 116.

Finance Lease:

i) The Company has leases that were classified as finance lease applying INDAS 17.

ii) For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of IND AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying IND AS 17.

iii) Accordingly, an amount of INR 354.96 lacs has been reclassified from property, plant and equipment to right-of-use assets. An amount of INR 184.91 lacs has been reclassified from borrowings- current financials liabilities to lease liability - current and an amount of INR 214.76 lacs has been reclassified from borrowings - non current to lease liability - non- current

Following are the changes in value of right of use asset for year end March 2020. (In Lakhs)

Particulars	Land	Building	Plant & Equipment	Furniture and fixtures	Office Equipment	Leasehold Improvements	Total
Balance as of April 1, 2019	191.10	-	15.77	29.44	4.21	114.44	354.96
Reclassified on account of Adoption of INDAS 116	-	1,660.41					1,660.41
Addition	-	44.41					44.41
Deletion	(0.38)	-					(0.38)
Depreciation	(2.40)	(390.10)	(11.83)	(17.14)	(2.91)	(68.80)	(493.18)
Balance as at March 31, 2020	**188.32**	**1,314.72**	**3.94**	**12.30**	**1.30**	**45.64**	**1,566.22**

35. LEASES (CONTINUED)

(Currency : INR in Lakhs)

Following is the break up of the current and non current lease liabilities as at March 31, 2020

Particulars	As at March 31, 2020
Current lease liabilities	564.76
Non - Current lease liabilities	986.06
Total	**1,550.82**

Following are the changes in value of Lease Liability for year end March 2020.

Particulars	As at March 31, 2020
Balance as of April 1 , 2019	399.67
Reclassified on account of Adoption of INDAS 116	1,617.42
Addition	**44.41**
Deletion	-
Finance cost	**156.90**
Lease payment	**(667.58)**
Total	**1,550.82**

The details of contractual maturities of lease liabilities as at 31st March 2020, on undiscounted basis are as follows

Particulars	As at March 31, 2020
Less than 1 year	659.85
One to five years	1,078.30
Total	**1,738.15**

During the year end March 31, 2020, Company has recognized in the statement of profit and loss -

a) Depreciation expense from right-to-use of INR 493.18 lakhs

b) Interest expense on lease liabilities INR 156.90 lakhs

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under note 34 of Annual report 2019 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116.

36. EARNINGS PER SHARE

(Currency : INR in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Profit after tax	**4,863.48**	9,671.07
Net profit for calculation of EPS (A)	**4,863.48**	9,671.07
Weighted average number of equity shares for calculating		
Equity Shares	**187.21**	**187.35**
Convertible preference shares	**21.21**	**20.03**
Weighted average number of equity shares in calculating EPS (B)	**208.42**	**207.38**
Basic earnings per share of face value of Rs 5 each (A)/(B) (Rs.)	**23.33**	**46.63**
Diluted earnings per share of face value of Rs 5 each (A)/(B) (Rs.)	**23.33**	**46.63**

37. SEGMENT REPORTING

The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no disclsures related to segments are presented in these standalone financial statements.

38. As per Section 135 of the Act, a CSR committee has been formed by the Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art, culture, healthcare, destitute care and rehabilitation and rural development projects.

a. The gross amount required during the year to be spent by the company was Rs.205.20 Lakhs (31 March 2019: Rs. 141.18 Lakhs)

b. Particulars of amount spent during the year on:

	In cash	Yet to be paid	Total
i) Construction / Acquisition of assets	**41.94**	-	**41.94**
	(-)	(-)	(-)
ii) On purposes other than (i) above	**253.33**	-	**253.33**
	(247.54)	(-)	(247.54)
Total for the Year ended 31 March 2020	**295.27**	-	**295.27**
Total for the Year ended 31 March 2019	(247.54)	(-)	(247.54)

39. DIVIDEND PAID

(Currency : INR in Lakhs)

Dividends on equity shares were declared and paid by the company during the year:

Particulars	Dividend Per Share (Rs)	Year ended 31 March 2020	Dividend Per Share (Rs)	Year ended 31 March 2019
Dividend on equity shares	1.25	235.49	2.50	468.38
Dividend on preference shares	**1.25**	**25.14**	**2.50**	**50.07**
Dividend distribution tax		53.58		106.57

40 INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ON RELATED PARTY DISCLOSURES FOR YEAR ENDED 31 MARCH 2020

A. List of related parties and their relationship

	Name of Related Party	Principal place of business	% Shareholding and Voting Power	
			As at 31 March 2020	As at 31 March 2019
a	**Holding Company of Parent**			
	Ansamira Limited (w.e.f. 07th February 2020)	Cyprus		
b	**Parent Company**			
	Aksipro Diagnostics Private Limited (w.e.f. 07th February 2020)	India	69.93%	**4.93%**
c	**Subsidiaries**			
	BSV Bioscience GmbH	Germany	100%	100%
	BSV Bioscience Inc	USA	100%	100%
	BSV Bioscience Philippines Inc	Philippines	100%	100%
	BSVlife Pvt Ltd. (formerly known as Eurolife Regen Pvt Ltd.)	India	100%	100%

d	Key Managerial Personnel ("KMP")	
	- Till 07th February 2020	
	Mr. Bharat V Daftary	Chairman and Managing Director
	Dr. Gautam V Daftary	Vice Chairman and Managing Director
	Mr. Siddharth B Daftary	Executive Director
	Mr. Roopesh Bhargava	Chief Operating Officer
	Mr. Shahzaad Siraj Dalal	Independent Director
	Mr. Suketu Viren Shah	Independent Director
	Mr. Suresh Lal Goklaney	Independent Director
	Mr. Nitin Jagannath Deshmukh	Independent Director
	Mr. Ajeet Singh Karan	Independent Director
	Mr. Nafeesa Adil Moloobhoy	Independent Director
	Mr. Sunny Sharma	Independent Director
	W.e.f. 07th February 2020	
	Mr. Sanjiv Navangul	Managing Director & Chief Executive Officer
	Ms. Shweta Jalan	Non - Executive Director
	Mr. Pankaj Patwari	Non - Executive Director
	Mr. Bharat V Daftary	Non - Executive Director
	Dr. Gautam V Daftary	Non - Executive Director
	Mr. Abhijit Mukherjee	Independent Director
	Mr. Bhaskar Iyer	Independent Director
	Mr. Jayesh Merchant	Independent Director
	Mr. Anil Madhusudan Damle (till 14th July 2020)	Chief Financial Officer
	Mr. Charudatta Sambhaji Samant	Company Secretary

e	Relatives of Key Managerial Personnel ("KMP") with whom transactions have taken place during the year	
	Mr. Akshay G Daftary	Son of Dr. Gautam V Daftary
	Mrs Ansuya V Daftary	Mother of Dr. Gautam Daftary
	Mr. Karan G Daftary	Son of Dr. Gautam V Daftary

f	Entities over which Key Management Personnel and their relatives have significant influence or control and with whom transactions have taken place during the year ("Entities")
	SIRO Clinpharm Private Limited
	Aksigen Pharmaceutical Private Limited
	Advy Chemicals Private Limited
	Aksigen Hospital Care
	Advy Co. Japan Limited
	Rivaara Labs Private Limited

DETAILS OF TRANSACTIONS WITH RELATED PARTIES

(Currency : INR in Lakhs)

Sr No	Particulars	Year ended 31 March 2020				
		Subsidiaries	KMP	Relative of KMP	Entities	Total
		c	d	e	f	
1	Purchase of services	**621.79**	**-**	**-**	**29.79**	**651.58**
		(502.88)	-	-	(32.13)	(535.01)
2	Reimbursement of expenses	-	-	-	-	-
		(34.40)	-	-	-	(34.40)
3	Recovery of expenses	-	-	-	-	-
		-	-	-	(32.74)	(32.74)
4	Interest accrued	**151.55**	**-**	**-**	**-**	**151.55**
		(131.81)	-	-	-	(131.81)
5	Sales of Vehicles	-	-	**2.72**	**96.25**	**98.97**
		-	-	-	-	-
6	Sales of Assets	-	**4,323.50**	**-**	**900.00**	**5,223.50**
		-	-	-	-	-

40 INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ON RELATED PARTY DISCLOSURES FOR YEAR ENDED 31 MARCH 2020 (CONTINUED)

A. List of related parties and their relationship (Continued)
Details of Transactions with Related Parties (Continued)

(Currency : INR in Lakhs)

	Particulars	Year ended 31 March 2020				
		Subsidiaries	KMP	Relative of KMP	Entities	Total
7	Remuneration *	-	630.20	-	-	630.20
		-	(734.99)	-	-	(734.99)
8	Sitting Fees to Non Executive Directors	-	27.64	-	-	27.64
		-	(10.89)	-	-	(10.89)
9	Advance given	-	-	-	45.00	45.00
		(332.32)	-	-	(3.70)	(336.02)
10	Purchase of goods	7,005.87	-	-	17.93	7,023.80
		(5,601.87)	-	-	(9.74)	(5,611.61)
11	Sale of goods	3,570.12	-	-	40.07	3,610.19
		(2,142.56)	-	-	(30.54)	(2,173.10)
12	Professional fees expenses	-	21.98	-	11.74	33.72
		-	-	-	(126.94)	(126.94)
13	Loan given	-	-	-	-	-
		(727.38)	-	-	-	(727.38)
14	Corporate Guarantee Fee Income	12.17	-	-	-	12.17
		(11.22)	-	-	-	(11.22)
15	Salary paid	-	-	26.12	-	26.12
		-	-	-	-	-
16	Recovery of expenses	-	-	-	-	-
		-	-	-	(32.74)	(32.74)
17	Rent paid	-	-	2.50	2.00	4.50

***Key management personnel Remuneration**

Key management personnel remuneration comprised the following:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Remuneration	**566.80**	690.29
Post-employment benefits	**63.40**	44.70
Sitting fees to independent director	**27.64**	10.89
	657.84	**745.88**

Based on the recommendation of the Nomination and Remuneration committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

Figures in the brackets are the comparative figures of the previous year.

40 INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)

A. List of related parties and their relationship (Continued)
Details of Transactions with Related Parties (Continued)

(Currency : INR in Lakhs)

Significant related party transaction

Sr No	Transaction	Related Party Transaction	Year ended 31 March 2020	Year ended 31 March 2019
1	**Purchase of services**			
	BSV Bioscience Inc	Subsidiary	621.79	502.88
	Advy Chemicals Private Limited	Entities	29.18	32.13
	Siro Clinpharm Pvt. Ltd.	Entities	0.61	-
2	**Purchase of goods**			
	BSV Bioscience GMBH	Subsidiary	7,005.87	5,601.87
	Advy Chemicals Private Limited	Entities	17.93	9.74
3	**Sale of goods**			
	BSV Bioscience Philippines Inc	Subsidiary	3,570.12	2,142.56
	Advy Chemicals Private Limited	Entities	8.98	30.54
	AKSIGEN HOSPITAL CARE	Entities	31.09	-
4	**Professional fees expenses**			
	SIRO Clinpharm Private Limited	Entities	11.74	126.94
	Bharat V Daftary	KMP	10.99	-
	Gautam V Daftary	KMP	10.99	-
5	**Sales of Vehicle**			
	Advy Chemicals Private Limited	Entities	39.50	-
	SIRO Clinpharm Private Limited	Entities	25.00	-
	Rivaara Labs Private Limited	Entities	22.00	-
	AKSIGEN HOSPITAL CARE	Entities	9.75	-
	Ansuya V Daftary	Relative of KMP	2.72	-
6	**Sale of Assets**			
	Mr.Bharat V Daftary	KMP	2,160.04	-
	Dr.Gautam V Daftary	KMP	2,163.46	-
	Aksigen Pharmaceutical Private Limited	Entities	900.00	-
7	**Rent**			
	Mr.Bharat V Daftary	KMP	1.25	-
	Dr.Gautam V Daftary	KMP	1.25	-
	Aksigen Pharmaceutical Private Limited	Entities	2.00	-

Balance due from / to related party

(Currency : INR in Lakhs)

As at 31 March 2020

Sr No	Particulars	Subsidiaries	KMP	Entities	Total
1	Outstanding Receivables/ Advance	2,427.22	-	63.51	2,490.73
2	Outstanding Payables	618.23	15.00	4.49	637.72
3	Investments	1,543.96	-	-	1,543.96
4	Loan receivable	2,209.17	-	-	2,209.17
5	Loan payable	-	106.78	-	106.78
6	Corporate Guarantee	2,421.85	-	-	2,421.85
7	Interest Accrued on Loan	537.20	-	-	537.20

As at 31 March 2019

Sr No	Particulars	Subsidiaries	KMP	Entities	Total
1	Outstanding Receivables/ Advance	703.37	-	21.03	724.40
2	Outstanding Payables	107.88	-	2.81	110.69
3	Investments	1,543.96	-	-	1,543.96
4	Loan receivable	2,049.03	-	-	2,049.03
5	Loan payable	-	106.78	-	106.78
6	Corporate Guarantee	2,185.65	-	-	2,185.65
7	Interest Accrued on Loan	360.89	-	-	360.89

40.1 DISCLOSURE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

(Currency : INR in Lakhs)

(a) The details of loan under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows

Name of the entity / parties	Loan repayment terms	Purpose	Rate of Interest	Amt As at 31-Mar-20	Amt As at 31-Mar-19
BSV Bioscience GMBH	Repayable on demand	Working Capital	**6.8601%**	**1,407.03**	1,315.99
BSV Bioscience Philippines Inc	Repayable on demand	Working Capital	**6.8601%**	**802.14**	733.04
Raut Serums India Pvt Ltd	Repayable on demand	Business Purpose	**11%**	**449.60**	518.00
Sri Anantha Padmanabha Swamy Pharma Pvt Ltd	Repayable on demand	Business Purpose	**10%**	**304.00**	304.00
Sri Anantha Padmanabha Swamy Pharma Pvt Ltd	Repayable on demand	Business Purpose	**11%**	**75.00**	75.00
Total				**3,037.77**	**2,946.03**

(b) Details of investments made under section 186 of the Act are given in Note 8 "Investments".

(c) Guarantees outstanding

Details	As at 31 March 2020	As at 31 March 2019
Corporate guarantee given in respect of credit facility sanctioned by bank in favour of subsidiary company aggregating to Euro 1.50 million and USD 1.56 million (31 March 2019 Euro 1.50 million and USD 1.56 million)	**2,421.85**	2,185.65
Stand by letter of credit given on behalf of subsidiary (Euro 0.63 million)	-	493.22

41 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

(A) Accounting classification and fair value

The Company uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments

Level 1: Observable prices in active markets for identical assets and liabilities;

Level 2: Observable inputs other than quoted prices in active markets for identical assets and liabilities;

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

(a) **Financial assets**

	Carrying Amount				Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
As at 31 March, 2020							
Non Current - Loans	-	-	**3,121.09**	**3,121.09**	-	-	-
Current - Loans	-	-	**1,020.08**	**1,020.08**	-	-	-
Trade receivables	-	-	**14,830.20**	**14,830.20**	-	-	-
Cash and cash equivalents	-	-	**6,004.17**	**6,004.17**	-	-	-
Other Bank Balances	-	-	**94.59**	**94.59**	-	-	-
Other non-current financial assets	-	-	**468.14**	**468.14**	-	-	-
Other current financial assets	-	-	**860.79**	**860.79**	-	-	-
Total	-	-	**26,399.06**	**26,399.06**	-	-	-
As at 31 March, 2019							
Non Current - Loans	-	-	2,962.05	2,962.05	-	-	-
Current - Loans	-	-	1,373.35	1,373.35	-	-	-
Trade receivables	-	-	14,729.76	14,729.76	-	-	-
Cash and cash equivalents	-	-	1,511.53	1,511.53	-	-	-
Other Bank Balances	-	-	381.66	381.66	-	-	-
Other non-current financial assets	-	-	118.98	118.98	-	-	-
Other current financial assets	-	-	535.25	535.25	-	-	-
Total	-	-	**21,612.58**	**21,612.58**	-	-	-

(b) Financial liabilities

	Carrying Amount				Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
As at 31 March, 2020							
Non Current Borrowings (including current maturity of long term debts)	-	-	1,045.26	1,045.26	-	-	-
Current Borrowings	-	-	523.65	523.65	-	-	-
Lease liability			1,550.82	1,550.82	-	-	-
Trade payables	-	-	6,481.00	6,481.00	-	-	-
Other non current financial liabilities	-	-	-		-	-	-
Other current financial liabilities	-	-	2,283.87	2,283.87	-	-	-
Total	-	-	11,884.60	11,884.60	-	-	-

41. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

A Accounting classification and fair value (Continued)

b. Financial liabilities (Continued)

	Carrying Amount				Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
As at 31 March, 2019							
Non Current Borrowings (including current maturity of long term debts)	-	-	3,049.47	3,049.47	-	-	-
Current Borrowings	-	-	544.95	544.95	-	-	-
Lease Liability			-	-	-	-	-
Trade payables	-	-	5,965.33	5,965.33	-	-	-
Other non current financial liabilities	-	-	-	-	-	-	-
Other current financial liabilities	-	-	3,192.69	3,192.69	-	-	-
	-	-	12,752.44	12,752.44			

B Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilities approximate their carrying amounts largely due to short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair value

a) The fair value of the financial instrument is determined using mark to market which is based on management estimates.

41 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

The Company has exposure to the following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

i) Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activates (primarily trade receivables) and from its financing/investing activities, including investments in deposits with banks. The Company has no significant concentration of credit risk with any counterparty.

"The carrying amount of following financial assets represents the maximum credit exposure:"

Trade Receivables

Trade receivables are consisting of a large number of customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly.

At 31 March 2020, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	31-Mar-20	31-Mar-19
India	**6,514.67**	8,808.79
Philippines	**2,175.13**	598.95
Export	**6,140.40**	5,322.02
	14,830.20	14,729.76

The Company's exposure to credit risk for trade receivables by type of counter party is as follows:

Particulars	31-Mar-20	31-Mar-19
Stockists	**2,751.01**	4,227.79
Institution	**3,763.66**	4,581.00
Exports	**6,140.40**	5,322.02
Subsidiary	**2,175.13**	598.95
	14,830.20	14,729.76

ii) Credit Risk (Continued)

Impairment

As per simplified approach the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date.

At 31 March 2020, the ageing of trade receivables that were not impaired was as follows.

Particulars	31-Mar-20	31-Mar-19
Not past due	10,320.00	10,317.37
Past due 1–180 days	4,211.44	3,320.61
Past due more than 180 days	298.76	1,091.78
	14,830.20	14,729.76

Expected credit loss (ECL) assessment for Trade Receivables as at 31 March 2020

Exposures within each credit risk grade are segmented by geographic region and industry classification and an expected credit loss rate is calculated for each segment based on delinquency status and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows

Particulars	31-Mar-20	31-Mar-19
Balance as at the beginning of the year	490.00	250.00
Impairment loss recognised	189.90	240.00
Balance as at the end of the year	679.90	490.00

Loans to subsidiaries

The Company has an exposure of Rs. 2209.17 Lakhs as 31 March 2020 (Rs 2049.03 Lakhs : 31 March 2019) . Such loans are classified as financial asset measured at amortised cost.

The Company did not have any amounts that were past due but not impaired at 31 March 2020 or 31 March 2019. The Company has no collateral in respect of these loans.

Investments, Cash and Cash equivalents and Bank Deposits

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic credit rating agencies.

The Company has investment in subsidiaries Rs 1543.96 Lakhs as on 31 March 2020 (Rs 1543.96 Lakhs : 31 March 2019)

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The majority of the Company's trade receivables are due for maturity within 7-21 days for stockiest and 90 days for institution and case to case basis for exports from the date of billing to the customer. Further, the general credit terms for trade payables are approximately 30-45 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Company. Any short-term surplus cash generated if any, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

Liquidity Risk (Continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Contractual Cash Flows				
31-Mar-20	**Carrying Amount**	**Total**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities					
Current borrowings	**523.65**	**523.65**	**523.65**	**-**	-
Lease Liability	**1,550.82**	**1,738.15**	**659.85**	**1,078.30**	-
Non Current borrowings	**1,045.26**	**1,045.26**	**870.00**	**175.26**	-
Trade payables	**6,481.00**	**6,481.00**	**6,481.00**	**-**	-
Other financial liabilities current	**2,283.87**	**2,283.87**	**2,283.87**	**-**	-
	11,884.60	**12,071.93**	**10,818.37**	**1,253.56**	-

31-Mar-19	Contractual Cash Flows				
	Carrying Amount	Total	Less than 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Current borrowings	544.95	544.95	544.95	-	-
Lease Liability	-	-	-	-	-
Non Current borrowings	3,049.47	3,049.47	1,426.34	1,623.13	-
Trade payables	5,965.33	5,965.33	5,965.33	-	-
Other financial liabilities current	3,192.69	3,192.69	3,192.69	-	-
	12,752.44	12,752.44	11,129.31	1,623.13	-

iv) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

The Company as a policy doesn't enter into any derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Rupee and foreign currencies has kept constant in the last year and as per company may be stable in the future. Consequently, the results of the Company's operations are adversely affected as the Rupee appreciates/ depreciates against US dollar (USD), Euro (EUR), and British Pound (GBP) etc..

(a) Foreign Exchange Derivatives and Exposures outstanding at the year end

There are no forward exchange contracts (being derivative instruments), exposure during the year.

Currency Risk

The Company is exposed to currency risk on account of its borrowings, other payables, receivables and loans and advances in foreign currency. The functional currency of the Company is Indian Rupee. The Company has exposure to USD, EURO, GBP, SGD, CHF and JPY. The Company has formulated hedging policy for monitoring its foreign currency exposure.

Exposure to Currency Risk

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 in there respective currencies are as below:

Particulars	31 March 2020		31 March 2019	
	Amount in foreign currency (Lakhs)	Amount in local currency (Lakhs)	Amount in foreign currency (Lakhs)	Amount in local currency (Lakhs)
Financial assets				
Non current assets				
EURO	**17.00**	**1,407.09**	17.00	1,315.99
USD	**10.60**	**802.05**	10.60	733.04
Non current Deposit				
USD	**-**	**-**	4.06	280.86
EURO	**0.01**	**0.85**	-	-
Trade receivables				
USD	**100.89**	**7,633.73**	72.58	5,019.74
EURO	**8.25**	**682.85**	10.85	842.69
Cash and Cash Equivalents				
USD	**1.96**	**148.30**	0.90	62.28
EURO	**0.27**	**22.35**	0.13	10.17
Other current assets				
EURO	**5.32**	**440.49**	6.10	473.92
USD	**4.62**	**349.63**	5.86	407.22
CHF	**-**	**-**	0.02	1.67
SGD	**-**	**-**	0.03	1.53

iv) **Market Risk (Continued)**

(a) Foreign Exchange Derivatives and Exposures outstanding at the year end (Continued)

Exposure to Currency Risk (Continued)

Particulars	31 March 2020		31 March 2019	
	Amount in foreign currency (Lakhs)	Amount in local currency (Lakhs)	Amount in foreign currency (Lakhs)	Amount in local currency (Lakhs)
Financial liabilities				
Long term borrowings				
USD	14.04	1,062.34	28.21	1,950.87
Short term borrowings				
EURO	5.04	416.87	5.64	438.17
Trade and other payables				
EURO	6.24	516.70	5.31	412.77
USD	10.47	792.23	6.91	477.27
JPY	0.28	0.20	-	-
GBP	-	-	0.17	15.72
Other current liabilities				
USD	-	-	2.90	200.56
Net foreign currency exposure as at 31 March				
EURO	19.57	1,620.06	23.13	1,791.83
GBP	-	-	(0.17)	(15.72)
USD	93.56	7,079.14	55.98	3,874.44
CHF	-	-	0.02	1.67
JPY	(0.28)	(0.20)	-	-
SGD	-	-	0.03	1.53
Total		8,699.00		5,653.75

For the purpose of financial statement reporting, the currency exposure are measured at the following year-end exchange rates.

INR	Year end spot rate	
	31-Mar-20	31-Mar-19
EURO	82.77	77.67
GBP	93.50	90.53
USD	75.67	69.16
CHF	78.29	69.43
SGD	53.03	51.04
JPY	0.70	0.62
JPY	0.70	0.62

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at 31 March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Profit & (loss) before tax	31 March 2020		31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening
10% movement				
EURO	161.98	(161.98)	179.66	(179.66)
GBP	-	-	(1.54)	1.54
USD	707.97	(707.97)	387.13	(387.13)
CHF	-	-	0.14	(0.14)
SGD	-	-	0.15	(0.15)
JPY	(0.02)	0.02	-	-

iv) Market Risk (Continued)

(a) Foreign Exchange Derivatives and Exposures outstanding at the year end (Continued)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments, borrowings and loans because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments, borrowings and loans will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	31 March 2020	31 March 2019
Fixed-rate instruments		
Financial assets	**3,600.50**	**3,946.67**
Financial liabilities	**1,289.41**	**2,908.26**
Variable-rate instruments		
Financial liabilities	**1,462.13**	**2,360.03**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would not have any material impact on the equity

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on profit/(loss) - Increase /(Decrease) in profit	
	31-Mar-20	31-Mar-19
Interest rates – increase by 100 basis points		
Interest rates – decrease by 100 basis points	(14.62)	(23.60)
	14.62	23.60

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarized above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows

Particulars	As at 31 March 2020	As at 31 March 2019
Total Borrowings (Including current portion of Long term debts)	3,119.73	3,594.42
Less : Cash and cash equivalent	6,004.17	1,893.19
Net debt	(2,884.44)	1,701.23
Total equity	53,223.23	48,864.94
Net debt to equity ratio	(0.05)	0.03

42. MERGER OF KASIAK RESEARCH PVT LTD.

In Financial year 2018-19, The National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order dated 04 September 2018 has approved the Scheme of Merger of Kasiak Research Pvt Ltd ("Kasiak") with the Company. The Scheme was approved by the Board of Directors on 28 March 2018 with an appointed date of 1 April 2017. Consequent to the said Order and filing of the final certified Orders with the Registrar of the Companies, Maharashtra, the Scheme becomes effective in the year ended March 31, 2018.

Since both the entities are controlled by the same group of individuals acting together under a contractual arrangement, the same is treated as a common control business combination. Accordingly, the merger has been accounted using the 'pooling of interest' method (in accordance with the approved Scheme). Pursuant to the Scheme, the unabsorbed tax losses of Kasiak are available to the Company, and accordingly, the same has been recognized in the year ended 31 March 2018.

As per the terms of the Scheme of Amalgamation, purchase consideration has been determined at Rs 2,884.77 lakhs. Out of which Rs.1,891.06 Lakhs was paid in cash during year ended 31 March 2018 and balance of Rs.993.71 lakhs was settled during the Financial Year 2018-19 through issue of 1,04,221 Equity Shares of INR. 5 each and 1,97,69,917 Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of INR. 5/- each of the Company. The difference between purchase consideration and net asset on effective date of Rs 2554.81 lakhs have been debited to capital reserve.

Details of Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) issued:

A

Particulars	As at 31 March 2020		As at 31 March 2019	
Authorised	**Numbers**	**Amount**	**Numbers**	**Amount**
0.01% Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of Rs. 5/- each	1,98,00,000	990.00	1,98,00,000	990.00
Issued, subscribed and fully paid up				
0.01% Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of Rs. 5/- each	-	-	1,97,69,917	988.50

B Reconciliation of the number of preference shares outstanding at the beginning and at the end of the period:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Numbers	**Amount**	**Numbers**	**Amount**
0.01% Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of Rs. 5/- each			-	
At the beginning of the period	1,97,69,917	988.50		-
Add: Fresh issue of preference shares			1,97,69,917	988.50
Less: Redemption during the year (Refer note 17.2.e)	(1,97,69,917)	(988.50)		
At the end of the period	-	-	1,97,69,917	988.50

C Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of Rs.5 each fully paid	**No of shares**	**% holding in the class**	**No of shares**	**% holding in the class**
Gautam V. Daftary	-	-	74,76,565	37.82%
Details of shareholders holding more than 5% shares in the company	-	-	74,77,512	37.82%
Anand Daftary	-	-	48,15,840	24.36%
	-	-	1,97,69,917	100.00%

D 0.01% Non Convertible Non Cumulative Redeemable Preference Shares of Rs. 5/- each ('NCNCRPS' were issued by company on 28 March 2019 (Redeemable at par on 27 March 2038). Following are the details:

Particulars	As at 31 March 2020	As at 31 March 2019
0.01% Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of Rs. 5/- each		
Classified in following two categories		
Equity component of compound financial instrument	**780.53**	780.53
Liability component of compound financial instrument	-	207.97
	780.53	988.50

43 GOVERNMENT GRANTS

The Company had received government grant which was capitalised in 2014-15 amounted to Rs 637.97 Lakhs with respect to Amphomul project. This grant, recognized as deferred income, is being amortized over the useful life of the Intangible assets in proportion in which the related depreciation expense is recognised

44 The spread of Covid-19 from mid-March is having an unprecedented impact on people and economy. We have been swift in extending support to our multiple stakeholders and maintain our operations through the crisis. This has not significantly impacted our operations and results for the year ended March 31, 2020.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables, tangible assets, intangible assets, assets under strategic review and investments. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company based on current estimates expects the carrying amount of these assets will be recovered.

45 Previous years figures for the previous year have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner
Place: Mumbai
Date: 04th August, 2020

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN :U24230MH1971PLC015134

Pankaj Patwari
Director
DIN : 08206620

Sanjiv H Navangul
Managing Director and CEO
DIN : 02924640

Chirag Mehta
Chief Financial Officer

Charudatta S Samant
Company Secretary
Membership No: A22337

Place: Mumbai
Date: 04th August, 2020

CRITICAL CARE

Critical care medicine or intensive-care medicine is a branch of medicine concerned with life support for critically ill patients.

SUBSIDIARY FINANCIAL STATEMENTS

- BSV Biosciences, Inc.
- BSV BioSciences, GmbH
- BSV BioScience Philippines, Inc.
- BSVLIFE PRIVATE LIMITED

BSV BIOSCIENCE, INC.

BSV BIOSCIENCES, INC.

Independent Auditor's Report

Board of Directors,

BSV Biosciences, Inc.

We have audited the accompanying balance sheets of BSV Biosciences, Inc. ('the Company') as at March 31, 2020 and March 31, 2019 and the related statements of income, changes in stockholder's equity, cash flows for the years then ended, and the related notes to the financial statements

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that 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 conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Company as at March 31, 2020 and March 31, 2019 and the result of its operations, stockholder's equity and the cash flows for the year then ended, in accordance with the accounting principles generally accepted in the United States.

Atlanta, Georgia

June 18, 2020

BSV BIOSCIENCES, INC.

Financial Statements

BALANCE SHEETS

(All amounts are stated in United States Dollars unless otherwise stated)

	AS AT	
	March 31, 2020	March 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	16,892	1,184
Accounts receivable, from related parties	2,19,004	1,82,981
Total current assets	**2,35,896**	**1,84,165**
Laboratory and computer equipment, net	3,643	-
Deferred tax asset	2,06,734	-
Security deposit	4,690	-
Total assets	**4,50,963**	**1,84,165**
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable	45,679	68,840
Other current liabilities	28,320	25,949
Total current liabilities	**73,999**	**94,789**
Total liabilities	**73,999**	**94,789**
Stockholder's equity		
Common stock, authorized, 2,000,000 common shares, $ 1 par value; issued and outstanding, 1,000,000 common shares, $ 1 par value	10,00,000	10,00,000
Accumulated deficit	(6,23,036)	(9,10,624)
Total stockholder's equity	**3,76,964**	**89,376**
Total liabilities and stockholder's equity	**4,50,963**	**1,84,165**

(The accompanying notes are an integral part of these financial statements)

BSV BIOSCIENCES, INC.

Financial Statements

STATEMENTS OF INCOME

(All amounts are stated in United States Dollars unless otherwise stated)

	FOR THE YEAR ENDED	
	March 31, 2020	March 31, 2019
Operating revenue	8,95,035	7,64,569
Selling, general and administrative expenses	7,93,978	6,92,892
Depreciation	331	-
Research and development expenses	20,522	3,339
Total costs and expenses	**8,14,831**	**6,96,231**
Operating income	**80,204**	**68,338**
Other income	1,450	-
Income before taxes	**81,654**	**68,338**
Current tax expense	(800)	(800)
Deferred tax benefit	2,06,734	-
Net income	**2,87,588**	**67,538**

(The accompanying notes are an integral part of these financial statements)

BSV BIOSCIENCES, INC.

Financial Statements

STATEMENTS OF STOCKHOLDER'S EQUITY

For the year ended March 31, 2020 and March 31, 2019

(All amounts are stated in United States Dollars except number of shares)

Particulars	Common stock				Accumulated deficit	Total stockholder's equity
	Authorized		Issued & outstanding			
	Shares	Value in US$	Shares	Value in US$		
Balance as on April 1, 2018	**20,00,000**	**20,00,000**	**10,00,000**	**10,00,000**	**(9,78,162)**	**21,838**
Net income	-	-	-	-	67,538	67,538
Balance as at March 31, 2019	**20,00,000**	**20,00,000**	**10,00,000**	**10,00,000**	**(9,10,624)**	**89,376**
Balance as on April 1, 2019	**20,00,000**	**20,00,000**	**10,00,000**	**10,00,000**	**(9,10,624)**	**89,376**
Net income	-	-	-	-	2,87,588	2,87,588
Balance as at March 31, 2020	**20,00,000**	**20,00,000**	**10,00,000**	**10,00,000**	**(6,23,036)**	**3,76,964**

(The accompanying notes are an integral part of these financial statements)

BSV BIOSCIENCES, INC.

Financial Statements

STATEMENTS OF CASH FLOWS

(All amounts are stated in United States Dollars unless otherwise stated)

	FOR THE YEAR ENDED	
	March 31, 2020	March 31, 2019
Cash flow from operating activities		
Net income	2,87,588	67,538
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Deferred tax benefit	(2,06,734)	-
Depreciation	331	-
Deferred rent	3,924	-
Changes in operating assets and liabilities		
Accounts receivable, from related parties	(36,023)	(1,82,981)
Other assets	(4,690)	-
Other current liabilities	(1,553)	5,275
Accounts payable	(23,161)	68,723
Net cash provided by (used in) operating activities	**19,682**	**(41,445)**
Cash flow from investing activities		
Purchase of laboratory and computer equipment	(3,974)	-
Net cash used in investing activities	**(3,974)**	**-**
Net increase (decrease) in cash and cash equivalents	**15,708**	**(41,445)**
Cash and cash equivalents at the beginning of the year	1,184	42,629
Cash and cash equivalents at the end of the year	**16,892**	**1,184**
Supplemental cash flow information		
Income taxes paid	800	800

(The accompanying notes are an integral part of these financial statements)

BSV BIOSCIENCES, INC.

Notes to Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

1. BUSINESS

BSV Biosciences, Inc. ("the Company") is a wholly owned subsidiary of Bharat Serums & Vaccines Ltd. ("Parent"), an India company. The Company was incorporated on March 23, 2005 and commenced operations in April 2005. The Company provides biomedical research and consulting services to its Parent and an affiliate company, Advy Chemicals Limited ("Affiliate").

2. BASIS OF PREPARATION

a. The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States ("US GAAP") to reflect the financial position, results of operation and cash flows of the Company.

b. The financial statements are for the years ended March 31, 2020 and March 31, 2019.

c. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior years to conform to the classifications used in the current year. This has no impact on the statement of income.

3. ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management's estimates for realization of deferred tax assets, determination of useful lives for laboratory and computer equipment and estimation relating to unsettled transactions and events at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

4. CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments and deposits with an original maturity of ninety days or less to be cash equivalents.

5. LABORATORY AND COMPUTER EQUIPMENT

Laboratory and computer equipment are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of the assets using the straight-line method. When assets are retired or otherwise disposed of, the cost of the asset and related depreciation are eliminated from the financial records. Any gain or loss on disposition is credited or charged to income.

The estimated useful lives of assets are as follows:

Laboratory equipment	3 years
Computer equipment	3 years

6. ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company follows specific identification method for recognizing bad debts. Management analyzes accounts receivable and the composition of the accounts receivable aging, historical bad debts, current economic trends, and customer credit worthiness when evaluating the adequacy of the provision for doubtful accounts. Allowance for doubtful accounts is included in marketing and selling expenses in the statements of income. The Company charges off uncollectable amounts against the reserve in the period in which it determines they are uncollectable.

7. REVENUE RECOGNITION

The Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606) as of April 01, 2019. Results for the year ended March 31, 2020 are presented under Topic 606, while earlier periods are presented under previous guidance. Please refer Note F "Revenue from contracts with customers" for further information on the Company's revenue.

The Company's only source of revenue is from the Parent or Affiliate company. Under a service agreement that commenced September 1, 2005, the Parent agreed to reimburse the Company each month for its operating expenses plus a mark-up on the costs. In accordance with the agreement, the Company recognizes revenue when invoiced to the Parent each month, as the services are rendered.

8. OPERATING LEASES

Lease rent expenses on operating leases are charged to expense over the lease term. Certain operating lease agreements provide for scheduled rent increases over the lease term. Rent expense for such leases is recognized on a straight-line basis over the lease term.

9. INCOME TAXES

In accordance with the provisions of FASB Accounting Standards Codification ("ASC") Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry-forward. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the asset will not be realized.

The Company recognizes liabilities for uncertain tax positions based on a twostep process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions within the provision for income taxes.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company applies fair value measurements to certain assets, liabilities and transactions that are periodically measured at fair value.

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. The estimated fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

11. CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of cash and accounts receivable. The Company's cash is on deposit in a checking account with a high-quality financial institution. The Company has not experienced any losses and does not believe it is exposed to any significant credit risk.

The Company's accounts receivable as at March 31, 2020 and as at March 31, 2019 comprised of dues from the parent or one of the parent's wholly owned subsidiaries.

The above-mentioned customers comprised of 100% of total revenue for the year ended March 31, 2020 and March 31, 2019.

12. COMMITMENT AND CONTINGENCIES

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

13. RECENTLY ISSUED ACCOUNTING STANDARDS NOT YET ADOPTED

In February 2016, the FASB issued ASU 2016-02, Leases. Under the new guidance, lessees are required to recognize a right-of-use asset and a lease liability on the balance sheet for all leases, other than those that meet the definition of a short-term lease. This update will establish a lease asset and lease liability by lessees for those leases classified as operating under current GAAP. Leases will be classified as either operating or finance under the new guidance. Operating leases will result in straight-line expense in the income statement, similar to current operating leases, and finance leases will result in more expense being recognized in the earlier years of the lease term, similar to current capital leases. This ASU is effective for the Company beginning on April 01, 2021. The Company is currently evaluating the impact of this standard on its financial statements.

NOTE B - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	As at	
	March 31, 2020	March 31, 2019
Cash at bank	16,692	984
Cash in hand	200	200
Total	16,892	1,184

NOTE C - ACCOUNTS RECEIVABLE, FROM RELATED PARTIES

Accounts receivable, from related parties include the following:

	As at	
	March 31, 2020	March 31, 2019
Receivable from Parent	2,19,004	1,56,000
Receivable from Affiliate	-	26,981
Accounts receivable, from related parties	2,19,004	1,82,981

NOTE D - LABORATORY AND COMPUTER EQUIPMENT, NET

Laboratory and computer equipment include the following:

	As at	
	March 31, 2020	March 31, 2019
Computer equipment	2,936	2,936
Laboratory equipment	3,974	-
Total	6,910	2,936
Less: Accumulated depreciation	(3,267)	(2,936)
Laboratory and computer equipment, net	**3,643**	**-**

Depreciation for the year ended March 31, 2020 was $ 331 (March 31, 2019: Nil).

NOTE E - OTHER CURRENT LIABILITIES

Other current liabilities include the following:

	As at	
	March 31, 2020	March 31, 2019
Accrued expenses	529	-
Accrued vacation	23,067	25,149
Provision for income tax	800	800
Deferred rent	3,924	-
Total	**28,320**	**25,949**

NOTE F - REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company's contracts with customers are comprised of services provided along with standard terms and conditions. These contracts with customers typically consist of provision of service which represent single performance obligations that are satisfied through provision of service to the customer over a period of time. The Company adopted the new revenue recognition standard using the modified retrospective transition approach and determined that the existing revenue recognition practices are in compliance with ASC 606.

The following table presents revenue customer wise:

	For the year ended	
	March 31, 2020	**March 31, 2019**
Bharat Serums and Vaccines Limited	8,68,876	7,14,000
Advy Chemicals Limited	26,159	50,569
Total	**8,95,035**	**7,64,569**

The following table presents revenue disaggregated by timing of recognition:

	For the year ended	
	March 31, 2020	**March 31, 2019**
Services transferred over time	895,035	764,569
Services transferred at a point in time	-	-
Total	**895,035**	**764,569**

NOTE G - INCOME TAXES

The Company files federal and state tax returns as per regulations applicable to Chapter C corporations in the United States.

The components of the provision for income taxes are as follows:

	For the year ended	
	March 31, 2020	**March 31, 2019**
Current taxes		
State	800	800
Deferred taxes		
Federal	(1,55,897)	-
State	(50,837)	-
Total provision for taxes	**(2,05,934)**	**800**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	For the year ended	
	March 31, 2020	**March 31, 2019**
Non-current deferred tax liabilities		
Laboratory and computer equipment	1,019	-
	1,019	**-**
Deferred tax assets		
Laboratory and computer equipment	-	47
Accrued vacation pay	6,453	7,038
Net operating losses	2,01,300	1,71,433
Total deferred tax asset	**2,07,753**	**1,78,518**
Total deferred taxes	2,06,734	1,78,518
Less: valuation allowance	-	(1,78,518)
Net deferred taxes	**2,06,734**	-

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all of the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. The Company has provided a valuation allowance of $ 178,518 as on March 31, 2019 against the net deferred tax assets. The Company determined its deferred tax assets to be realizable as on March 31, 2020.\

The Company has net operating loss carry forwards of $ 722,945 as of March 31, 2020 available to reduce future federal income taxes. If not used, the carry forwards will begin to expire in 2028. The Company has carried forward losses totaling $ 708,517 which are available to reduce future state income taxes. If not used, the carry forwards will begin to expire in 2028.

Accounting for uncertain tax position

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The adoption of this standard had no material effect on the Company's financial position, results of operation or cash flows

The tax year 2016-2018 remain subject to examination by the taxing authorities.

NOTE H - RELATED PARTY TRANSACTIONS

The Company has entered into transactions with the following related parties –

a. Bharat Serums and Vaccines Limited ("Parent")

b. Advy Chemicals Limited ("Affiliate")

The total operating revenue from the Parent amounted to $ 868,876 for the year ended March 31, 2020 and $ 714,000 for the year ended March 31, 2019. The Company had a receivable outstanding from the Parent amounting to $ 219,004 as on March 31, 2020 and $ 1,56,000 as on March 31, 2019.

The total operating revenue from Advy Chemicals Limited amounted to $ 26,159 for the year ended March 31, 2020 and $ 50,569 for the year ended March 31, 2019. The Company had a receivable outstanding from the Advy Chemicals Limited amounting to $ Nil as on March 31, 2020 and $ 26,981 as on March 31, 2019.

NOTE I - OPERATING LEASE

The Company leases office space under an operating lease agreement that is renewable on a periodic basis at the option of both the lessor and the lessee. The Company also leases equipment's on a monthly basis. Rental expense under operating lease was $ 23,031 for the period ended March 31, 2020.

Details of minimum lease payments are as follows:

Years ending March 31,	Amount
2021	54,540
2022	37,080
Total minimum lease payments	**91,620**

NOTE J - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and trade receivables. The cash resources of the Company are invested with banks after an evaluation of the credit risk. By their nature, all such cash equivalents and trade receivables involve risk including the credit risk of non-performance by counter parties. In management's opinion, as of March 31, 2020 and 2019, there was no significant risk of loss in the event of non-performance of the counter parties to these cash equivalents and trade receivables.

NOTE K - STOCKHOLDER'S EQUITY

Common stock issued

Common stock issued as at March 31, 2020 was 1,000,000 shares of $ 1 par each (March 31, 2019: 1,000,000 shares of $ 1 par each).

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

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

NOTE L - SUBSEQUENT EVENTS

The management of the Company has evaluated the possible effect of COVID-19 on the carrying amount of accounts receivable and other assets and believes that the current COVID-19 scenario is not/will not materially impact the financial statements for the year ended on March 31, 2020. The Company will continue to monitor developments to identify significant uncertainties surrounding COVID-19 and its impact on performance of the Company for future periods. Subsequent events have been evaluated through June 18, 2020 which is the date the financial statements were issued. No material subsequent events were noted.

BSV BIOSCIENCES, GmbH

BSV BIOSCIENCES, GmbH

Audit Engagement

At the annual shareholders' meeting held on 30 August 2019 of **BSV Bioscience GmbH,** headquartered in **Baesweiler**,

– hereinafter also referred to as 'BSV' or 'Company' –

we were elected as auditor for financial year ended 31 March 2020. Accordingly, management has engaged us to audit the annual financial statements for the year ended 31 March 2020, together with the accounting records and the management report.

The terms governing this engagement are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprü fungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on 1 January 2017, which are attached to this report as Appendix 4. Our liability is governed by Clause 9 of the General Engagement Terms. Our liability towards third parties is defined under Clauses 1 (2) and 9 of the General Engagement Terms.

REPRODUCTION OF THE INDEPENDENT AUDITOR'S REPORT

For the annual financial statements and management report we have issued an unqualified auditor's report. The English language text below is a translation of the independent auditors report.

INDEPENDENT AUDITOR'S REPORT

To BSV Bioscience GmbH, Baesweiler

Opinions

We have audited the annual financial statements of BSV Bioscience GmbH, Baesweiler, which comprise the balance sheet as at 31 March 2020, and the Income Statement for the period from 1 April 2019 to 31 March 2020, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of BSV Bioscience GmbH for the financial year from 1 April 2019 to 31 March 2020.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2020 and of its financial performance for the financial year from 1 April 2019 to 31 March 2020, in accordance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Responsibilities of Management for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the

German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, 24 July 2020

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Kis
Wirtschaftsprüfer
[German Public Auditor]

Stelzer
Wirtschaftsprüfer
[German Public Auditor]

EVALUATION OF MANAGEMENT'S ASSESSMENT OF THE COMPANY'S POSITION

In our opinion, the following key statements in the management report are noteworthy:

- Revenues increased in the fiscal year 2019/2020 by kEUR 1.740 (+10,7 %) to kEUR 18.002, predominately due to increase sales to the parent company by 29 %. 49 % of total sales (EUR 8.7 million) during the fiscal year were to the parent company compared with 42 % (EUR 6.8 million) in financial year 2018/2019.
- The total performance of the company (sum of revenues and increase in finished goods and work in progress) increased in the fiscal year by kEUR 2.790 (+16,9 %) due to increased sales (+10,7 %) and increased finished goods and work in progress as at 31 March 2020. This lead to a loss of kEUR 176 in the fiscal year, after a profit of kEUR 1.096 in prior year.
- In the current fiscal year, profitability was impacted by significant price increases of the key raw material in China in the third and fourth quarter of the fiscal year. Mainly prices were impacted by the sudden lock down in certain territories of China due to COVID 19 pandemic in the last quarter of the financial year which resulted in a shortage of that raw material.
- Prices of the main key raw material HCG (Human Chorionic Gonadotrophin), which contribute to 50 % of total sales, have gone up by 22 % during the fiscal year compared with the average procurement price of 2018/2019. As a result of the increased prices, the ratio of cost of materials to total performance increased from 65,4 % in the prior year to 76,6 % in the current fiscal year.
- The equity ratio slightly decreased from 39,8 % to 37,8 % following the decrease of kEUR 175 in equity to kEUR 3.407, which in turn is due to the net loss for the period.
- Inventories increased by kEUR 650 to kEUR 3.381 as of 31 March 2020. The increase is an outcome of the COVID 19 pandemic as several significant orders were shifted from March 2020 to April and May 2020.
- Trade receivables decreased significantly from kEUR 1.470 to kEUR 176 mainly due lower sales in March 2020 in comparison to March 2019, which is an impact of the COVID 19 pandemic as orders were shifted into April and May 2020 as stated before.
- In the opinion of the management of the company, the business development in the fiscal year 2019/2020 was not satisfying as despite increasing sales the company incurred a loss. The result for the financial year fell short of expectations. While the performance of the company in beginning of the fiscal year 2019/2020 was positive, the second half of the fiscal year was very challenging.
- A key risk of the Company is the shortfall of raw material supply and price increases due to the COVID-19. The company procures its key raw materials from China which is significantly affected by the COVID 19 pandemic. Due to lock-downs and other restrictions related to the COVID 19 pandemic, shortfall of supply and further significant rise of raw material prices can have a negative impact on the profitability of the company.
- Main opportunities of the company are innovative and competitive Products. The demand for one of the company product Ulinastatin is steadily increasing, since the health care industry realizes the high potential of the drug and alternate uses. Also there are only a few competitors from Far East in the market.
- Taking into account the current order backlog and business situation, the company expects revenue to decrease significantly in the financial year 2020/2021, due to a substantial decrease in business with the parent company, as a result of the current economic impacts of the COVID-19 pandemic. Despite the decrease of sales management plans to achieve a slightly positive result for the year based on cost savings and adjusted sales prices to compensate increased raw material prices.

As a result of our audit, we found that the management report, as a whole, provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

PERFORMANCE OF THE AUDIT

4.1 SCOPE OF THE AUDIT

We have audited the annual financial statements of BSV Bioscience GmbH, which comprise the balance sheet as at 31 March 2020, the Income Statement for the period from 1 April 2019 to 31 March 2020 as well as the Notes to the Financial Statements, including the accounting records and the management report, for the financial year ended 31 March 2020.

Our responsibility is to express an opinion on the annual financial statements and the management report based on our audit.

An audit only covers compliance with other regulations to the extent that these other regulations can be expected to have an impact on the annual financial statements or the management report.

Pursuant to Section 317 (4a) HGB, an audit is not intended to extend to whether the Company's ability to continue as a going concern or the effectiveness and efficiency of management can be assured.

4.2 NATURE AND SCOPE OF AUDIT PROCEDURES

The general principles of our audit approach are already presented in the reproduction of the Independent Auditor's Report (see Section 2 of this report). In addition, we provide the following information on our audit approach and audit performance:

Phase I: Development of an audit strategy focused on business risks

Obtaining an understanding of the Company's business as well as knowledge of the accounting systems and the internal control system
Establishing audit focus areas based on our risk assessment:
– Audit of the process of preparing the financial statements
– Valuation and existence of inventories
– Existence and measurement of trade accounts receivable
– Accuracy of sales cut-off
Establishing the audit strategy and timeline for the audit
Selecting the audit team and planning the deployment of specialists

Phase II: Selection and implementation of control-based audit procedures

Selection of control-based audit procedures based on risk assessments and knowledge of business processes and systems
Assessment of the design and effectiveness of selected accounting-related controls

Phase III: Tests of details and analytical review of items in the annual financial statements

Performance of analytical reviews of items in the annual financial statements
Tests of details on a sample basis and assessment of individual items with a view to the accounting options and judgements exercised, e.g.:
– Obtaining confirmations from lawyers and credit institutions
– Obtaining confirmations from debtors based on a representative sample
– Obtaining confirmations from suppliers based on a conscious sample
Review of disclosures in the notes and assessment of the management report

Phase IV: Overall assessment of audit results and reporting

Formation of the audit opinion on the basis of the overall assessment of audit results
Reporting in the audit report and the Independent Auditor's Report
Oral presentation of audit results to management

We performed our audit (with interruptions) in the months of May to July 2020 until 24 July 2020. We carried out a preliminary audit in May 2020.

All explanations and evidence requested by us were provided. The management confirmed in writing that the accounting records, the annual financial statements and the management report are complete.

FINDINGS ON ACCOUNTING AND FINANCIAL REPORTING

5.1 ACCOUNTING RECORDS AND RELATED DOCUMENTS

The Company's accounting records have been properly kept and maintained. The accounting records and related documents are properly authorised, sufficiently explained and filed in an orderly manner. Based on our findings, the accounting records and related documents comply with German legal requirements.

Based on our audit, we found that the measures taken by the Company are appropriate to ensure the security of processed accounting-related data.

5.2 ANNUAL FINANCIAL STATEMENTS

The annual financial statements as at 31 March 2020 presented to us for audit, were properly derived from the Company's accounting records and related documents. The opening balance sheet figures were properly carried forward from prior year's annual financial statements. The German legal recognition, presentation and measurement requirements have been observed, in all material respects.

The balance sheet and statement of profit and loss have been prepared, in all material respects, in accordance with the provisions of German commercial law applicable to corporations, including the German Legally Required Accounting Principles. The notes to the financial statements include all legally required information.

The protective clause referred to in Section 286 (4) HGB has been properly applied.

5.3 MANAGEMENT REPORT

The management report prepared by management, in all material respects, complies with German legal requirements.

OPINION ON THE OVERALL PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

6.1 COMMENTS ON OVERALL PRESENTATION

The accounting policies applied to the annual financial statement items, in all material respects, comply with the requirements of German commercial law applicable to corporations. These are described in the notes to the financial statements (see Appendix 2.3 Section II.).

The exercise of accounting and valuation options as well as accounting judgements with regard to the following annual financial statement items has a material effect on the Company's assets, liabilities, financial position and financial performance:

Inventory

Inventory is valued with purchase prices or manufacturing costs. Raw materials and supplies as well as Merchandise goods are valued with purchase prices. Work in process and finished goods are valued with manufacturing costs in accordance with § 255 HGB. The lower of cost or market principles are considered in accordance with the German Commercial Code.

Sales prices to affiliated companies

The Company generates approximately 49 % (kEUR 8.731) of its net sales with the shareholder Bharat Serums and Vaccines Limited, Mumbai/India. The revenues are based on a transfer pricing agreement with Bharat Serums and Vaccines Limited. The last adjustment of the transfer price agreement was with effect 1 October 2018.

6.2 CONCLUSION ON THE OVERALL PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

Based on an overall consideration of the accounting policies described above, we are of the opinion that the annual financial statements give a true and fair view of the assets, liabilities and financial position of the Company and of its financial performance in accordance with German Legally Required Accounting Principles.

CONCLUDING REMARKS

This audit report has been prepared in accordance with the principles of Auditing Standard 450 (as amended), promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

We hereby confirm pursuant to Section 321 (4a) HGB that we have conducted our audit in accordance with the applicable independence regulations.

The Independent Auditor's Report is presented in Section 2.

Düsseldorf, 24 July 2020

KPMG AG

Wirtschaftsprüfungsgesellschaft

Signiert von

Ergün Kis

am 27.07.2020

Kis

Wirtschaftsprüfer

[German Public Auditor]

Signiert von

Lars Stelzer

am 27.07.2020

Stelzer

Wirtschaftsprüfer

[German Public Auditor]

APPENDIX 1

ANNUAL FINANCIAL STATEMENTS AS OF 31 MARCH 2020

BSV BIOSCIENCE GmbH, BAESWEILER

Financial Statements as of 31 March 2020

BALANCE SHEET AS AT 31 MARCH 2020 (TRANSLATION)

ASSETS

		March 31, 2020		March 31, 2019	
		EUR	EUR	EUR	EUR
A.	**Fixed Assets**				
	I. Intangible Assets				
	Concessions, patents, licenses, trade marks and similar rights and assets		94,813.75		1,27,553.87
	II. Property, plant and equipment				
	1. Land, leasehold rights and buildings, including buildings on third-party land	18,68,836.68		19,81,460.68	
	2. Technical equipment and machinery	9,57,597.48		10,34,696.30	
	3. Other equipment, operating	2,34,544.33	30,60,978.49	2,47,328.65	32,63,485.63
			31,55,792.24		**33,91,039.50**
B.	**Current Assets**				
	I. Inventories				
	1. Raw materials and supplies	8,78,392.09		14,96,245.36	
	2. Work in process	12,63,270.86		7,75,401.58	
	3. Finished goods and merchandise	12,39,618.09	33,81,281.04	4,59,182.16	27,30,829.10
	II. Receivables and other assets				
	1. Trade receivables	1,75,877.61		14,69,863.73	
	2. Receivables from affiliated companies	5,61,259.84		5,11,035.20	
	3. Other assets	1,47,770.78	8,84,908.23	2,45,124.95	22,26,023.88
	III. Cash and cash equivalents		15,13,413.80		5,70,789.41
			57,79,603.07		**55,27,642.39**
C.	**Prepaid expenses**		**73,687.53**		**74,705.30**
			90,09,082.84		**89,93,387.19**

BSV BIOSCIENCE GmbH, BAESWEILER

Financial Statements as of 31 March 2020

BALANCE SHEET AS AT 31 MARCH 2020 (TRANSLATION) (CONTINUED)

Equity and liabilities

		March 31, 2020	March 31, 2019
		EUR	EUR
A.	Equity		
	I. Subscribed capital	10,25,000.00	10,25,000.00
	II. Capital reserve	17,00,000.00	17,00,000.00
	III. Retained earnings (prior year: accumulated deficit)	8,57,783.94	-2,38,451.61
	IV. Net loss (prior year: income) for the year	-1,75,741.56	10,96,235.55
		34,07,042.38	**35,82,783.94**
B.	Provisions		
	1. Tax provisions	64,601	72,395.80
	2. Other provisions	1,74,338.37	1,43,358.04
		2,38,939.47	**2,15,753.84**
C.	Liabilities		
	1. Liabilities to banks	25,55,293.23	28,29,578.42
	2. Payments received on account of orders	8,21,902.10	7,33,269.02
	3. Trade payables	18,57,329.26	15,48,481.99
	4. Liabilities to affiliated companies	14,630.45	14,444.66
	5. Other liabilities	1,13,945.95	69,075.32
	– thereof for taxes EUR 105.153,75 (prior year: EUR 49.400,67) –		
		53,63,100.99	**51,94,849.41**
		90,09,082.84	**89,93,387.19**

BSV BIOSCIENCE GmbH, BAESWEILER

Financial Statements as of 31 March 2020

INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL 2019 TO 31 MARCH 2020 (TRANSLATION)

		2019/2020	2018/2019
		EUR	EUR
1.	Revenues	1,80,02,605.46	1,62,62,575.22
2.	Increase in finished goods and work in process	12,68,305.21	2,17,534.46
3.	Other operating income	1,45,480.81	1,28,545.72
4.	Cost of materials		
	a) Cost of raw materials, supplies and purchased goods	1,35,93,246.01	99,47,028.59
	b) Cost of purchased services	11,75,212.01	8,23,799.42
5.	Personnel expenses		
	a) Wages and salaries	17,94,297.14	15,74,555.98
	b) Social security	3,39,893.76	3,30,937.67
6.	Amortisation of intangible assets and		
	depreciation of property, plant and equipment	3,98,985.75	3,80,675.13
7.	Other operating expenses	19,73,095.94	20,95,638.32
8.	**Operating result**	**1,41,660.87**	**14,56,020.29**
9.	Interests and similar expenses	2,48,092.03	2,39,676.50
	– thereof to affiliated companies		
	EUR 14,630.45 (prior year: EUR 14,444.66) –		
10.	Income taxes	69,236.51	1,19,984.17
11.	**Earnings after taxes**	**-1,75,667.67**	**10,96,359.62**
12.	Other taxes	73.89	124.07
13.	**Net loss (prior year: income) for the year**	**-1,75,741.56**	**10,96,235.55**

BSV BIOSCIENCE GmbH, BAESWEILER

Management report for the year from 1 April 2019 to 31 March 2020

1 CORPORATE PROFILE

1.1 General business activities

BSV Bioscience GmbH ("BSV Bio") is a wholly owned subsidiary of Bharat Serums and Vaccines Limited, Mumbai/India ("Parent Company"); incorporated in October 2007. BSV Bio is engaged in the business of developing and manufacturing of Active Pharmaceutical Ingredients ("APIs") and marketing of finished pharmaceutical products.

BSV Bio is located in Baesweiler Germany, the manufacturing facilities at the location is regularly inspected by the German Good Manufacturing Practice (German GMP) and inspected by the US Federal Drug Administration (US FDA). The manufacturing facilities are equipped with API manufacturing facility, QA QC laboratories and other facilities for testing, manufacturing and storing the raw material and the APIs in compliance with the German GMP and US FDA requirements.

BSV Bio manufactures and supply following API's (Active Pharmaceutical Ingredi-ents):

- Human Chorionic Gonadotropin ('HCG');
- Human Menopausal Gonadotropin ('HMG');
- Follicle Stimulating Hormone ('FSH');
- Ulinastatin;
- Urokinase; and
- Streptokinase

The API's supplied by BSV Bioscience GmbH are specialized biological products, which are mainly derived and extracted from human urine. BSV Bio also supplies finished formulations manufactured from API's, which are manufactured through contract manufacturer.

Apart from supplying our parent company, BSV Bio supplies its products to custom-ers within Europe as well as to customer in countries including USA, South Korea, Japan, Ghana, Mexico, Bangladesh and other Middle East Countries.

1.2 Financial performance measures

BSV Bioscience GmbH ("BSV Bio") is part of the global Bharat Serums and Vaccines Limited reporting system. The financial performance indicators of the company are sales revenue and profit. Currently, we do not use any non-financial performance indicators to manage our company.

1.3 Research and Development

In the fiscal year 2019/2020 kEUR 69 were spent on research and development costs. Besides developing innovate products to open up new markets, we are also working on research which includes developing test methods as per customer re-quirement. One employee is currently employed in the R&D department.

2 REPORT ON ECONOMIC CONDITIONS AND BUSINESS

2.1 Development of the overall economy and the industry

At the end of 2019, the global Economy remained on a low but stable level similar to the prior year. The upswing of the German economy continued in the fiscal year 2019/2020. The German Council of Economic Experts (Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Lage) predicted annual average growth in real gross domestic product (GDP) of 0.6% for 2019. In the beginning of 2020, the global economy experienced a downswing due to the impacts of the COVID 19 Pan-demic. To slow-down infection rates und to avoid an overheating of public health system, many countries announced lock-downs, which resulted in an almost complete public shut-downs. At the same time countries initiated numerous economic counter measurements to cushion the negative economic impacts. While the German economy started with further upswing into 2020 till the outbreak of COVID 19, nobody can actually really assess the current economic impact of the COVID 19 pandemic for the months from March 2020. With regard to further impacts from the COVID 19 pandemic on the economic environment, we refer to section 4.2 - Outlook.

2.2 Report on business

2.2.1 Development of revenue

Revenues increased in the fiscal year 2019/2020 by kEUR 1,740 (+10.7%) to kEUR 18,002, predominately due to increased sales to the parent company by 29%. 49% of total sales (EUR 8.7 million) during the fiscal year were to the parent compa-ny compared with 42% (EUR 6.8 million) in financial year 2018-19.

The total performance of the company (sum of revenues and increase in finished goods and work in process) increased in the fiscal year by kEUR 2.790 (+16.9%) due to increased sales (+10.7%) and increased finished goods and work in progress as at 31 March 2020. This lead to a loss of kEUR 176 in the fiscal year, after a profit of KEUR 1.096 in prior year.

2.2.2 Investments

In the fiscal year 2019/2020, the company replaced technical equipment in the amount of kEUR 97 and other equipment in the amount of kEUR 52. New software in the amount of kEUR 15 was also acquired.

2.2.3 Employees

The company employed an average of 38 people in the current fiscal year 2019/2020 (previous year 34).

3 BUSINESS DEVELOPMENT

3.1 Results of operations

In the current fiscal year, profitability was impacted by significant price increases of the key raw material in China in the third and fourth quarter of the fiscal year. Mainly prices were impacted by the sudden lock down in certain territories of China due to COVID 19 pandemic in the last quarter of the financial year which resulted in a shortage of that raw material.

Prices of our key raw material HCG (Human Chorionic Gonadotrophin), which con-tribute to 50% of our total sales, have gone up by 22% during the fiscal year com-pared with our average procurement price of 2018/2019. As a result of the increased prices, the ratio of cost of materials to total performance increased from 65.4% in the prior year to 76.6% in the current fiscal year.

Also personnel expenses rose in the current fiscal year due to increased headcounts by kEUR 229 (+12%). Nevertheless the ratio of personnel expenses to the total performance (sum of Revenues and changes in finished goods and work in process) remained stable at 11 %. Also the average personnel expenses per employee remained with an increase of 0.2% almost on prior year level.

Other expenses declined slightly by kEUR 122 due to lower R&D costs in 2019/2020 in comparison to the prior year, as specific R&D projects were finalized in 2018/2019.

3.2 Net assets

The equity ratio slightly decreased from 39.8% to 37.8% following the decrease of kEUR 175 in equity to kEUR 3,407, which in turn is due to the net loss for the period.

Fixed assets dropped by kEUR 235 mainly due to depreciation and amortization in the amount of kEUR 399, which were compensated by replacement investments in amount of kEUR 164, see section 2.2.2 Investments.

Inventories increased by kEUR 650 to kEUR 3,381 as of 31 March 2019. The in-crease is an outcome of the COVID 19 pandemic as several significant orders were shifted from March 2020 to April and May 2020.

Trade receivables decreased significantly from kEUR 1,470 to kEUR 176 mainly due lower sales in March 2020 in comparison to March 2019, which is an impact of the COVID 19 pandemic as orders were shifted into April and May 2020 as stated be-fore.

The variance in cash and cash equivalents as part of the cash funds as well as the change of liabilities to banks are presented together with the information on the fi-nancial position below.

Trade payables rose by 20% in comparison to the prior year due to increased raw material prices as well as increased raw material purchases in February and March 2020.

3.3 Financial situation

As of 31 March 2020, the company's cash funds (cash-in-hand, bank balances) amounted to kEUR 1,513 (1 April 2019: kEUR 571).

The increase in cash of kEUR 942 relates mainly to the cash-inflow from operating activities in the amount of kEUR 1,381, contrary a cash-outflow resulted from invest-ment activities (kEUR -164) and repayments of loans (KEUR -274; finance activities).

Due to its liquidity resources, the company was at all times solvent.

3.4 Overall Assessment of the Economic Situation

In the opinion of the management of the company, the business development in the fiscal year 2019/2020 was not satisfying as despite increasing sales the company in-curred a loss. The result for the financial year fell short of expectations.

While the performance of the company in beginning of the fiscal year 2019/2020 was positive, the second half of the fiscal year was very challenging.

Due to the COVID 19 pandemic, we had to acknowledge a shortage of our key raw materials as well as major price increases for these materials. Further sales dropped in March 2020 in comparison the prior year, nevertheless orders for the months April and May 2020 increased significantly. Based on this trend, the management expects a positive development for fiscal 2020/2021.

4 OUTLOOK, RISKS AND OPPORTUNITIES FOR FUTURE DEVELOPMENT

4.1 Report on risks and opportunities

4.1.1Risk management

The company has a financial reporting system, which is integrated into the Bharat Serums and Vaccines Limited group reporting structures. This supports the company in the ongoing monitoring and management of business development by means of target, actual and budget comparisons on company level.

4.1.2 Risks and opportunities for future development As risk, we define future developments or events, which have impact on the budget-ed results of the company and the group respectively. The company is facing the fol-lowing risks, which are present from risks with highest occurrence and the highest possible impact to the lowest occurrence and lowest financial impact.

- **Shortfall of raw material supply and price increases due to the COVID-19:**

  We procure our key raw materials from China which is significantly affected by the COVID 19 pandemic. Due to lock-downs and other restrictions related to the COVID 19 pandemic, shortfall of supply and further significant rise of raw material prices can have a negative impact on our profitability.

- **Regulation related risks:**

  During the financial year 2019/2020 sales to US compounding pharmacies was Euro 2.9 million. Changes in the US FDA regulations on compounding pharmacies at the beginning of financial year 2020/2021 might impact our sales to US customers adversely. We will try mitigate this risk by expanding sales in other geographical markets.

- **Regulation and technical risks:**

  As we are in the business of marketing of finished pharmaceutical products and manufacturing and marketing of Active Pharmaceutical Ingredients which are key raw materials for pharmaceutical products, we have to comply with several national and international regulations in regard to product safety and quality. We have to maintain high standards not only in manufacturing but also in procurement of raw material, storage and handling. Not complying with this regulations and standards could result in a shut-down of our production facility. To mitigate the risk, we follow the EU GMP (Good Manufacturing Practice) and we have implemented a strict quality management system. Technical issues in production as a result of customer specific requirements or delays in getting technical data of our key raw material from Chinese suppliers, which is required for filling the Drug Master File for product registration as per pharmacopeia requirement in several respective countries, possess the risk of delays in the execution of new projects

The following opportunities are currently

- **followed by the company:**

  High production standard

  As our production facility is inspected by the US FDA and also an EU GMP certified manufacturing facility, we are following the highest standards in manufacturing and can offer high quality products. As a result our state of art manufacturing facility, which comply with US FDA as well as EU GMP regulations, we have the opportunity to enter highly regulated pharmaceutical markets, which generally have higher margins.

- **Innovative and competitive Products:**

  The demand for one of our product Ulinastatin is steadily increasing, since the health care industry realizes the high potential of the drug and alternate uses. Also there are only a few competitors from Far East in the market.

4.1.3 Overall assessment of the risk and opportunity situation Despite the COVID-19 pandemic, the overall view of the company's risk and oppor-tunity situation remains essentially unchanged good. Currently, there are no risks recognizable, that either alone or in combination with other risks could endanger the continued going concern of the company.

4.2 Outlook

4.2.1 General economic outlook

According to the ifo institute the global economic will be negatively impacted by the COVID 19 crisis. Due to the growing impacts of the pandemic, it has to be expected that the global economy dropped by 2.6% in the second quarter of 2020, especially in Europe and the USA. Contrary, a little economic recovery should be observed in China and South Korea due to decreasing infection rates. It is expected, that begin-ning summer 2020, a global economic recovery process starts with growth rates of 2% in third and 1.7% in fourth quarter.

Due to the economic impact of the COVID-19 pandemic, the German government expects annual average growth in real gross domestic product (GDP) of -6% in the remaining year of 2020, for 2021 a phase of recovery is predicted with a growth of 5,2%.

Without the impacts of the COVID 19 pandemic, the pharmaceutical industry in Ger-many predicted a growth rate of 0.8% in 2020 and 2021. Now is has to be observed, if the impact of COVID 19 will lead to lower growth rates due to postponed treatments (as a result of the lock-downs) or to higher growth rates due to higher demands of pharmaceutical products to treat COVID 19 and its side effects.

4.2.2 Companies outlook

As of the date of this report, the company has considered the possible effects that may result from COVID-19, a global pandemic, and has reflected the impacts in its current business plan for the fiscal year 2020/2021.

Taking into account the current order backlog and business situation, we expect rev-enue to decrease significantly in the financial year 2020/2021, due to a substantial decrease in business with the parent company, as a result of the current economic impacts of the COVID-19 pandemic. Despite the decrease of sales we plan to achieve a slightly positive result for the year based on cost savings and adjust sales prices to compensate increased raw material prices.

Baesweiler, 24 July 2020

Raj Angchekar

Managing Directory

BSV BIOSCIENCE GmbH, BAESWEILER

Appendix 4 General Engagement Terms

FOR WIRTSCHAFTSPRÜFER ANDWIRTSCHAFTSPRÜFUNGSGESELLSCHAFTEN {GERMAN PUBLIC AUDITORS AND PUBLIC AUDIT FIRMS} AS OF JANUARY 1, 2017

1. SCOPE OF APPLICATION

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüfer) or German Public Audit Firms (Wirtschaftsprüfungsgesellschaften) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. SCOPE AND EXECUTION OF THE ENGAGEMENT

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsätze ordnungsmäßiger Berufsausübung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche Prüfungen), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. THE OBLIGATIONS OF THE ENGAGING PARTY TO COOPERATE

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. ENSURING INDEPENDENCE

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. REPORTING AND ORAL INFORMATION

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. DISTRIBUTION OF A GERMAN PUBLIC AUDITOR'S PROFESSIONAL STATEMENT

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. DEFICIENCY RECTIFICATION

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (Textform) [Translators Note: The German term "Textform" means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the

German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. CONFIDENTIALITY TOWARDS THIRD PARTIES, AND DATA PROTECTION

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: Handelsgesetzbuch], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: Wirtschaftsprüferordnung], § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. LIABILITY

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. SUPPLEMENTARY PROVISIONS FOR AUDIT ENGAGEMENTS

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report. If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. SUPPLEMENTARY PROVISIONS FOR ASSISTANCE IN TAX MATTERS

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party

b) examination of tax assessments in relation to the taxes referred to in (a)

c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)

d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)

e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungsvergütungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;

b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;

c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and

d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. ELECTRONIC COMMUNICATION

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

13. REMUNERATION

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. DISPUTE SETTLEMENT

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlichtungsstelle) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (Verbraucherstreitbeilegungsgesetz).

15. APPLICABLE LAW

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.

BSV BIOSCIENCE PHILIPPINES, INC.

BSV BIOSCIENCE PHILIPPINES, INC.

Independent Auditor's Report

To the Board of Directors and Shareholders
BSV BioScience Philippines, Inc.

3805 One San Miguel Ave. Condominium, San Miguel Ave.,
cor. Shaw Blvd., Pasig City

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of BSV BioScience Philippines, Inc. (the "Company") which comprise the statement of financial position as at March 31, 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (the Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Company as at and for the year ended March 31, 2019, was audited by another auditor who expressed an unqualified opinion on those statements on July 31, 2019.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Report on Other Legal and Regulatory Requirements

Report on the Supplementary Information Required by the Bureau of Internal Revenue

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 22 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.

BOA Registration No. 0004, valid from November 12, 2018 to July 16, 2021

SEC Accreditation No. 0001-FR-5, issued on January 15, 2019; effective until January 14, 2022, Group A

TIN 005299331

By:

Wilfredo A. Baltazar

Wilfredo A. Baltazar
Partner

CPA License No. 0078498

SEC A.N. 0723-AR-3, issued on August 24, 2017; effective until August 23, 2020, Group A TIN 115858485

BIR A.N. 08-002552-10-2020, issued on June 5, 2020; effective until June 5, 2023

PTR No. A-4689427, issued on January 2, 2020, Taguig City

Taguig City, Philippines

July 27, 2020

BSV BIOSCIENCE PHILIPPINES, INC

(A Wholly-owned subsidiary of Bharat Serums & Vaccines Limited)

STATEMENT OF FINANCIAL POSITION

(With Comparative Figures for 2019)

	Notes	March 31 2020	2019
ASSETS			
Current Assets			
Cash	6	**P 26,139,969**	P 12,415,973
Trade and other receivables - net	7	**16,52,36,389**	5,84,72,352
Inventories	8	**6,58,63,440**	1,75,00,299
Prepayments and other current assets	9	**2,08,90,478**	1,89,30,571
Total Current Assets		**27,81,30,276**	**10,73,19,195**
Non-current Assets			
Property and equipment – net	10	**9,36,438**	9,09,587
Intangible asset - net	11	**15,14,700**	20,65,500
Right-of-use asset – net	16	**9,24,464**	1,20,068
Deferred tax assets	17	**16,19,747**	99,991
Total Non-current Assets		**49,95,349**	31,95,146
		P283,125,625	P110,514,341
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12, 13	**P187,853,551**	P 54,329,077
Lease liability	16	**8,07,454**	1,23,925
Due to related parties	12	**7,12,18,146**	7,26,99,716
Total Current Liabilities		**25,98,79,151**	12,71,52,718
Non-current Liabilities			
Deferred tax liability	17	**5,52,684**	-
Total Liabilities		**26,04,31,835**	12,71,52,718
Equity			
Share Capital		**93,50,000**	93,50,000
Retained earnings (Deficit)		**1,33,43,790**	(2,59,88,377)
		2,26,93,790	(1,66,38,377)
		P283,125,625	P110,514,341

See Notes to Financial Statements.

BSV BIOSCIENCE PHILIPPINES, INC.

(A Wholly-owned subsidiary of Bharat Serums & Vaccines Limited)

STATEMENT OF COMPREHENSIVE IN

(With Comparative Figures for 2019)

	Notes	Year ended March 31, 2020	Three-month period ended March 31, 2019	Year ended December 31, 2018
Revenue	14	**P431,283,702**	P113,724,756	P308,994,404
Cost of Sales	15	**24,24,07,312**	8,44,90,744	24,71,13,462
Gross Profit		**18,88,76,390**	2,92,34,012	6,18,80,942
Operating Expenses				
Salaries and wages		**6,07,81,631**	1,07,28,834	3,62,85,546
Sales and marketing		**4,79,57,317**	69,07,223	3,79,66,390
Commission		**1,19,99,142**	-	-
Training and development		**46,57,492**	2,71,641	29,99,931
Taxes and licenses	8	**31,25,739**	7,03,783	10,65,676
Provision for inventory obsolescence	7	**29,72,129**	-	-
Accounts written-off	7	**28,57,167**	-	-
Provision for expected credit loss	10, 11, 16	**19,09,648**	-	-
Depreciation and amortization		**17,97,768**	4,28,997	9,69,480
Professional fees		**13,43,897**	2,42,840	20,33,672
Bidding expenses		**4,54,179**	1,434,028	6,25,043
Office supplies		**3,83,115**	81,946	4,90,203
Utilities expense		**3,29,604**	81,929	3,35,662
Rent	16	**3,16,105**	49,000	9,43,211
Insurance		**1,04,718**	-	-
Repairs and maintenance		**23,766**	-	151,626
Miscellaneous		**55,13,424**	2,02,252	855,391
		14,65,26,841	2,11,32,473	84,721,831
Profit from Operations		**4,23,49,549**	81,01,539	(2,28,40,889)
Other Income (Expenses) - net				
Foreign exchange gain(loss)		**43,49,313**	3,28,159	(1,53,14,353)
Interest income	6	**1,33,861**	19,064	70,105
Bank charges		**(6,72,025)**	(5,49,175)	(11,16,237)
Interest expense	16	**(66,734)**	(6,221)	-
Miscellaneous income		**-**	5,80,916	-
		37,44,415	3,72,743	(1,63,60,485)
Profit Before Tax	17	**4,60,93,964**	84,74,282	(3,92,01,374)
Income Tax Expense		**6,761,797 P**	32,46,789	(45,94,306)
Total Comprehensive Income		**3,93,32,167**	P 5,227,493	(P 34,607,068)

See Notes to Financial Statements.

BSV BIOSCIENCE PHILIPPINES, INC

(A Wholly-owned subsidiary of Bharat Serums & Vaccines Limited)

STATEMENT OF CHANGES IN EQUITY

(With Comparative Figures for 2019)

	Capital Stock	Retained earnings (Deficit)	Total
Balance, January 1, 2018	P9,350,000	P 3,396,563	**P12,746,563**
Comprehensive income Loss for the year	-	(3,46,07,068)	**(3,46,07,068)**
Balance, January 1, 2019	93,50,000	(3,12,10,505)	**(2,18,60,505)**
Prior period adjustment	-	(5,365)	**(5,365)**
Balance, January 1, 2019, as restated	93,50,000	(3,12,15,870)	**(2,18,65,870)**
Comprehensive income Profit for the period	-	52,27,493	**52,27,493**
Balance, March 31, 2019	93,50,000	(2,59,88,377)	**(1,66,38,377)**
Comprehensive income Profit for the year	-	3,93,32,167	**3,93,32,167**
Balance, March 31, 2020	**P9,350,000**	**P13,343,790**	**P22,693,790**

See Notes to Financial Statements.

BSV BIOSCIENCE PHILIPPINES, INC.

(A Wholly-owned subsidiary of Bharat Serums & Vaccines Limited)

STATEMENT OF CASH FLOWS

(With Comparative Figures for 2019)

	Notes	Year ended March 31, 2020	Three-month period ended March 31, 2019	Year ended December 31, 2018
Cash Flows from Operating Activities				
Profit (loss) before tax		**P46,093,964**	P 8,474,282	-3,92,01,374
Adjustments for:	8		-	-
Provision for inventory obsolescence		**29,72,129**		
Accounts written-off	7	**28,57,167**	-	-
Provision for expected credit loss	7	**19,09,648**	-	-
Depreciation and amortization	10, 11, 16	**17,97,768**	4,28,997	9,69,480
Interest expense	16	**66,734**	6,221	-
Interest income	6	**(1,33,861)**	(19,064)	(70,105)
Unrealized foreign exchange loss (gain) - net		**(13,51,441)**	(3,28,159)	1,53,14,353
Operating cash flows before working capital changes		**5,42,12,108**	85,62,277	(2,29,87,646)
Decrease (Increase) in:				
Trade and other receivables - net		**(11,15,30,852)**	(20,86,015)	1,16,05,409
Inventories		**(5,13,35,270)**	7,86,53,349	(1,68,88,584)
Prepayments and other current assets		**(19,59,907)**	(59,77,393)	(76,37,097)
Increase (Decrease) in: Trade and other payables		**13,30,39,429**	(10,69,85,911)	35,00,723
Due to related parties		**3,60,710**	5,42,278	19,26,897
Cash generated from (used in) operations		**2,27,86,218**	(2,72,91,415)	(3,04,80,298)
Interest income received	6	**1,33,861**	19,064	70,105
Interest paid	16	**(66,734)**	-6,221	-
Income taxes paid		**(77,28,869)**	-	-
Net cash generated from (used in) operating activities		1,51,24,476	-2,72,78,572	-3,04,10,193
Cash Flows from Investing Activity				
Acquisition of property and equipment	10	**(4,93,420)**	-	(4,85,868)
Net cash used in investing activity		**(4,93,420)**	-	(4,85,868)
Cash Flows from Financing Activities				-
Payment of lease liabilities	16	**(9,01,266)**	(1,84,831)	-
Proceeds from advances from related parties	12	**-**	-	5,57,34,800
Net cash generated from (used in) financing activities		**(9,01,266)**	(1,84,831)	5,57,34,800
Effects of Exchange Rate Changes		**(5,794)**	-	-
Net Increase (Decrease) in Cash		**1,37,23,996**	(2,74,63,403)	2,48,38,739
Cash, Beginning		**1,24,15,973**	3,98,79,376	1,50,40,637
Cash, End		**P26,139,969**	P12,415,973	P39,879,376

See Notes to Financial Statements.

BSV BIOSCIENCE PHILIPPINES, INC.

Notes to Financial Statements as at and for the period ended march 31, 2020

(With Comparative Figures for 2019)

1. CORPORATE INFORMATION

BSV BioScience Philippines, Inc. (the "Company") was registered with the Philippine Securities and Exchange Commission (SEC) on February 11, 2016 primarily to own, manage, operate and engage in all acts associated in the conduct of business of manufacturers, researchers, importers, druggist, distributors, and dealers in pharmaceutical, biological, biotech, medical, cosmetic, nutraceuticals, medical devices, and chemical products; to research, develop, manufacture, process, purchase, market, store, repack, sell, import, export, or otherwise distribute in wholesale, drugs, medicines, diagnostics, injectable biological, pharmaceutical, and biotechnology products and preparations of all kinds and description and articles, compounds, oils, paints, pigments, and color grinders, makers; and to establish and maintain laboratories, plants, and other facilities for the manufacture or repacking on a commercial basis of such products and supplies; to import, buy, sell and generally deal in all kinds of machinery, equipment, in proprietary articles of all kinds and of electrical, chemical photographical, scientific apparatus, appliances and instruments as well as in raw materials in bulk, compounds, extracts and other chemicals or ingredients required for such manufacturing operations; to research, develop, and conduct tests and clinical trials for medical treatments; and to provide technical and management advice to physicians, dentists, nurses, pharmacists, hospitals, pharmacies and similar healthcare professionals and establishments.

The Company is 99% owned by Bharat Serums & Vaccines Limited (the "Parent company"), a company incorporated in India. The rest is owned by individuals.

On April 16, 2018, the Company amended its Articles of Incorporation and By-laws. Its secondary purpose was amended to include training to medical representatives/ territory managers, whose primary purpose is to introduce and promote company's product to qualified personnel by informing them of the products' important feature and benefit. Effective April 1, 2019, the Company's fiscal year was amended to begin on the first day of April and end on the last day of March of each year as approved by the SEC.

Status of Operations

The financial statements have been prepared assuming that the Company will continue as a going concern. The Company incurred a capital deficiency of P16.83 million as at March 31, 2019. This condition indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The future funding requirements of the Company are expected to be met through net cash inflows generated from operating activities and the continuing financial support of the Parent Company which it has confirmed to enable the Company to continue as a going concern.

The Company's registered office address and principal place of business is located at 3805 One San Miguel Ave. Condominium, San Miguel Ave. corner Shaw Blvd., Pasig City.

2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), which includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by the International

Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Financial Reporting Standards Council (FRSC) and Board of Accountancy (BOA) and adopted by the SEC.

Basis of Preparation and Presentation

These financial statements of the Company have been prepared on the historical cost convention, except for certain financial instruments carried at amortized cost and inventories measured at lower of cost and net realizable value.

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. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company changed its financial reporting period from the year ending December 31 to the year ending March 31. The change in financial reporting period was approved by the SEC on June 27, 2018. This was later filed with and approved by the BIR on July 12, 2019 that indicates that this newly approved financial reporting period is effective on April 1, 2019. A shorter period financial statement was prepared in 2019 due to the change in financial reporting period. Accordingly, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the three-month period ended March 31, 2019 and twelve-month period ended December 31, 2018 were presented as comparative figures of the current year financial statements.

Functional and Presentation Currency

These financial statements are presented in the Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded in the nearest Peso, except when otherwise indicated.

3. ADOPTION OF NEW AND REVISED ACOUNTING STANDARDS

New Accounting Standards Effective after the Reporting Period Ended March 31, 2020

PFRS 17, *Insurance Contracts*

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of PFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The key principles in PFRS 17 are that an entity:

- identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts; • divides the contracts into groups that it will recognize and measure;
- recognizes and measures groups of insurance contracts at:
    i. a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset)
    ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);
- recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and
- discloses information to enable users of financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance and cash flows of an entity.

PFRS 17 includes an optional simplified measurement approach, or premium allocation approach, for simpler insurance contracts.

The standard is effective for periods beginning on or after January 1, 2023. Earlier application is permitted.

The adoption of the standard will not have an impact on the Company's financial statements as the Company does not issue insurance contracts.

Amendments to PAS 1 and PAS 8, Definition of Material

The amendments relate to a revised definition of 'material':

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

Three new aspects of the new definition include (i) obscuring; (ii) could reasonably be expected to influence; and (iii) primary users.

The amendments stress especially five ways material information can be obscured:

- if the language regarding a material item, transaction or other event is vague or unclear;
- if information regarding a material item, transaction or other event is scattered in different places in the financial statements;
- if dissimilar items, transactions or other events are inappropriately aggregated;
- if similar items, transactions or other events are inappropriately disaggregated; and
- if material information is hidden by immaterial information to the extent that it becomes unclear what information is material.

The amendments are effective for periods beginning on or after January 1, 2020. Earlier application is permitted.

The Management is still evaluating the impact of the amendments on the Company's financial statements

Amendments to PFRS 3, ***Definition of Business The amendments are to:***

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

The Management does not anticipate that the amendments will have a significant impact on the Company's financial statements since the Company does not foresee acquiring a business in the future.

New Accounting Standards Effective in 2019 - Adopted by FRSC but pending for approval by the BOA

PIC Q&A No. 2019-04, ***Conforming Changes to PIC Q&As – Cycle 2019***

The interpretation sets out the changes (i.e.,] amendments or withdrawal) to certain interpretations. These changes are made as a consequence of the issuance of new PFRS that become effective starting January 1, 2019 and other relevant developments.

PIC Q&As Amended

The following table summarizes the changes made to the amended interpretations:

PIC Q&A Amended	Amendment
PIC Q&A No. 2011-05: PFRS 1, Fair Value or Revaluation as Deemed Cost	Updated because of applying PFRS 16, Leases, for the first time starting January 1, 2019
PIC Q&A No. 2011-06: Acquisition of investment properties – asset acquisition or business combination?	Reference to PAS 40, Investment Property, has been updated because of applying PFRS 16 for the first time starting January 1, 2019.
PIC Q&A No. 2012-02: Cost of a new building constructed on the site of a previous building	Reference to PAS 40 has been updated because of applying PFRS 16 for the first time starting January 1, 2019.
PIC Q&A No. 2017-02: PAS 2 and PAS 16, Capitalization of operating lease cost as part of construction costs of a building	Updated to comply with the provisions of PFRS 16 and renamed as PIC Q&A No. 2017-02: PAS 2 and PAS 16, Capitalization of depreciation of right-of-use asset as part of construction costs of a building
PIC Q&A No. 2017-10: PAS 40, Separation of property and classification as investment property	Reference to PAS 40 has been updated because of applying PFRS 16 for the first time starting January 1, 2019.
PIC Q&A No. 2018-05: PAS 37, Liability arising from maintenance requirement of an asset held under a lease	Updated to comply with the provisions of PFRS 16
PIC Q&A No. 2018-15: PAS 1, Classification of Advances to Contractors in the Nature of Prepayments: Current vs. Non-current	Reference to PAS 40 (included as an attachment to the Q&A) has been updated because of applying PFRS 16 for the first time starting January 1, 2019.

PIC Q&A Withdrawn

PIC Q&A Withdrawn	Basis for Withdrawal
PIC Q&A No. 2017-09: PAS 17 and Philippine Interpretation SIC-15, Accounting for payments between and among lessors and lessees	This PIC Q&A is considered withdrawn starting January 1, 2019, which is the effective date of PFRS 16. PFRS 16 superseded PAS 17, Leases, and Philippine Interpretation SIC-15, Operating Leases—Incentives
PIC Q&A No. 2018-07: PAS 27 and PAS 28, Cost of an associate, joint venture, or subsidiary in separate financial statements	This PIC Q&A is considered withdrawn upon publication of IFRIC agenda decision - Investment in a subsidiary accounted for at cost: Step acquisition (IAS 27, Separate Financial Statements) in January 2019.

The effective date of the amendments is included in the affected interpretations.

The Management of the Company has assessed that the adoption of these amendments has no impact on the financial statements of the Company.

IC Q&A No. 2019-06, ***Accounting for step acquisition of a subsidiary in a parent***

The interpretation clarifies how a parent should account for the step acquisition of a subsidiary in its separate financial statements.

Salient points of the interpretation are the following:

IFRIC concluded either of the two approaches may be applied:

- Fair value as deemed cost approach

  Under this approach, the entity is exchanging its initial interest (plus consideration paid for the additional interest) for a controlling interest in the investee (exchange view). Hence, the entity's investment in subsidiary is measured at the fair value at the time the control is acquired.

- Accumulated cost approach

  Under this approach, the entity is purchasing additional interest while retaining the initial interest (non-exchange view). Hence, the entity's investment in subsidiary is measured at the accumulated cost (original consideration).

Any difference between the fair value of the initial interest at the date of obtaining control of the subsidiary and its original consideration is taken to profit or loss, regardless of whether, before the step acquisition transaction, the entity had presented subsequent changes in fair value of its initial interest in profit or loss or other comprehensive income (OCI).

The interpretation is effective for periods beginning on or after October 19, 2019.

The Management does not anticipate that the interpretation will have significant impact on the financial statements since the Company is not a parent company.

PIC Q&A No. 2019-07, ***Classification of Members' Capital Contributions of Non-Stock Savings and Loan Associations (NSSLA)*** Background:

The Bangko Sentral ng Pilipinas (BSP) issued Circular No. 1045 on August 29, 2019 to amend the Manual of Regulations for Non-Bank Financial Institutions Applicable to Non-Stock Savings and Loan Associations (MORNBFI-S) – Regulatory Capital of NonStock Savings and Loan Associations (NSSLAs) and Capital Contributions of Members.

Under the Circular, each qualified member of an NSSLA shall maintain only one capital contribution account representing his/her capital contribution. While only one capital account is maintained, the Circular breaks down a member's capital contributions as follows:

a. Fixed capital which cannot be reduced for the duration of membership except upon termination of membership. The minimum amount of fixed capital is Php1,000, but a higher minimum can be prescribed under the NSSLA's by-laws.

b. Capital contribution buffer, which pertains to capital contributions in excess of fixed capital. The capital contribution buffer can be withdrawn or reduced by the member without affecting his membership. However, the NSSLA shall establish and prescribe the conditions and/or circumstances when the NSSLA may limit the reduction of the members' capital contribution buffer, such as, when the NSSLA is under liquidity stress or is unable to meet the capital-to-risk assets ratio requirement under Sec. 4116S of the MORNBFI-S Regulations. Such conditions and/or circumstances have to be disclosed to the members upon their placement of capital contribution buffer and in manners as may be determined by the Board.

For purposes of identifying and monitoring the fixed capital and capital contribution buffer of a member's capital contribution, NSSLAs shall maintain subsidiary ledgers showing separately the fixed and capital contribution buffer of each member. Further, upon receipt of capital contributions from their members, NSSLAs shall simultaneously record the amount contributed as fixed and capital contribution buffer in the aforementioned subsidiary ledgers. However, NSSLAs may use other systems in lieu of subsidiary ledgers provided that that the system will separately show the fixed and capital contribution buffer of each member.

The interpretation assessed and concluded that both Fixed Capital and the Capital contribution buffer qualify as "equity" in the NSSLA's financial statements as they both meet all the requirements of paragraphs 16A and 16B of PAS32, Financial Instruments: Presentation.

The interpretation is effective for periods beginning on December 11, 2019, and should be applied retrospectively.

The Management does not anticipate that the interpretation will have significant impact on the financial statements since the Company is not under non-stock savings and loan association.

PIC Q&A No. 2019-08, ***PFRS 16, Leases - Accounting for Asset Retirement or Restoration Obligation ("ARO")***

The interpretation clarifies the recognition of ARO under the following scenarios:

1) Accounting for ARO at lease commencement date

   The cost of dismantling and restoration (i.e., the ARO) should be calculated and recognized as a provision in accordance with PAS 37, with a corresponding adjustment to the related ROU asset as required by PFRS 16.24(d). As such, the lessee will add the amount of ARO to the cost of the ROU asset on lease commencement date, which will then form part of the amount that will be amortized over the lease term.

2) Change in ARO after initial recognition

2.1) Because ARO is not included as a component of lease liability, the measurement of such ARO is outside the scope of PFRS 16. Hence, its measurement is generally not affected by the transition to PFRS 16. Except in cases where the reassessment of lease-related assumptions (e.g., lease term) would affect the measurement of ARO-related provision, the amount of ARO existing at transition date would not be remeasured; rather, the balance of the ARO provision and any related asset will remain as previously measured. The asset will simply be reclassified from property and equipment to the related ROU asset as required under PFRS 16.24(d).

2.2) Assuming there is a change in lease-related assumptions that would impact the ARO measurement (e.g., change in lease term due to the new PFRS 16 requirements), the following will be the accounting treatment depending on the method used by the lessee in adopting PFRS 16:

a. Modified retrospective approach - Under this approach, the lessee uses the remaining lease term to discount back the amount of provision to transition date. Any adjustment is recognized as an adjustment to the ROU asset and ARO provision. This adjustment applies irrespective of which of the two methods in measuring the ROU asset will be chosen under the modified retrospective approach.

b. Full retrospective approach - The ARO provision and related asset, which gets adjusted to the ROU asset, should be remeasured from commencement of the lease, and then amortized over the revised or reassessed lease term. Because full retrospective approach is chosen, it is possible that the amount of cumulative adjustment to the ARO provision and the ROU asset at the beginning of the earliest period presented will not be the same; hence, it is possible that it might impact retained earnings.

The Management does not anticipate that the interpretation will have significant impact on the financial statements since the Company does not have asset retirement obligation.

PIC Q&A No. 2019-09, ***Accounting for Prepaid Rent or Rent Liability Arising from Straightlining under PAS 17 on Transition to PFRS 16 and the Related Deferred Tax Effects***
The interpretation aims to provide guidance on the following:

1. How a lessee should account for its transition from PAS 17 to PFRS 16 using the modified retrospective approach. Specifically, this aims to address how a lessee should, on transition, account for any existing prepaid rent or rent liability arising from straight-lining of an operating lease under PAS 17, and

2. How to account for the related deferred tax effects on transition from PAS 17 to PFRS 16.

The Company's current practice is in line with the interpretation issued, thus, it does not expect any effect on its financial statements upon adoption of the said interpretation.

PIC Q&A No. 2019-10, ***Accounting for variable payments with rent review***

Some lease contracts provide for market rent review in the middle of the lease term to adjust the lease payments to reflect a fair market rent for the remainder of the lease term. This Q&A provides guidance on how to measure the lease liability when the contract provides for a market rent review.

The adoption of this interpretation will not have an impact on the Company's financial statements since the Company does not have variable payments with rent.

PIC Q&A No. 2019-11, ***Determining the current portion of an amortizing loan/lease liability***

The interpretation aims to provide guidance on how to determine the current portion of an amortizing loan/lease liability for proper classification/presentation between current and non-current in the statement of financial position.

The Company has applied PFRS 16 using the modified retrospective approach, and properly classified/presented loan/lease liability between current and non-current in the statement of financial position.

PIC Q&A No. 2019-12, PFRS 16, ***Leases – Determining the lease term***

The interpretation provides guidance how an entity determine the lease term under PFRS 16.

A contract would be considered to exist only when it creates rights and obligations that are enforceable. Therefore, any non-cancellable period or notice period in a lease would meet the definition of a contract and, thus, would be included as part of the lease term. To be part of a contract, any option to extend or terminate the lease that are included in the lease term must also be enforceable.

If optional periods are not enforceable (e.g., if the lessee cannot enforce the extension of the lease without the agreement of the lessor), the lessee does not have the right to use the asset beyond the non-cancellable period. Consequently, by definition, there is no contract beyond the non-cancellable period (plus any notice period) if there are no enforceable rights and obligations existing between the lessee and lessor beyond that term.

In assessing the enforceability of a contract, an entity should consider whether the lessor can refuse to agree to a request from the lessee to extend the lease. Accordingly, if the lessee has the right to extend or terminate the lease, there are enforceable rights and obligations beyond the initial non-cancellable period and thus, the parties to the lease would be required to consider those optional periods in their assessment of the lease term. In contrast, a lessor's right to terminate a lease is ignored when determining the lease term because, in that case, the lessee has an unconditional obligation to pay for the right to use the asset for the period of the lease, unless and until the lessor decides to terminate the lease.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, an entity shall consider all relevant facts and circumstances (i.e., including those that are not indicated in the lease contract) that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Management does not anticipate that the interpretation will have significant impact on the financial statements.

PIC Q&A No. 2019-13, **PFRS 16, Leases** – ***Determining the lease term of leases that are renewable subject to mutual agreement of the lessor and the lessee***

The interpretation provides guidance how an entity determine the lease term under PFRS 16. This interpretation focuses on lease contracts that are renewable subject to mutual agreement of the parties.

A renewal option is only considered in determining the lease term if it is enforceable. A renewal that is still subject to mutual agreement of the parties is legally unenforceable under Philippine laws until both parties come to an agreement on the terms.

In instances where the lessee have known to be, historically, renewing the lease contract after securing mutual agreement with the lessor to renew the lease contract, the lessee's right to use the underlying asset does not go beyond the one-year period covered by the current contract, as any renewal still has to be agreed on by both parties. A renewal is treated as a new contract.

The Management does not anticipate that the interpretation will have significant impact on the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

Financial assets and financial liabilities are recognised in the Company's financial statements when the Company becomes a party to the contractual provisions of the instrument.

Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

Classification and subsequent measurement

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Fair value is determined in the manner described in Note 2.

Financial assets are subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as follows:

- financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are SPPI, are subsequently measured at amortized cost;
- financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at FVTOCI;

- all other financial assets managed on their fair value basis and equity instruments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if it is neither held for trading nor a contingent consideration recognized by an acquirer in a business combination to which PFRS 3 applies; and
- the Company may irrevocably designate a debt investment that meets the amortized cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method for any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss.

Impairment of financial assets

The Company recognizes a loss allowance for ECL on its trade and other receivables.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve (12) months after the reporting date.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate (EIR).

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR method, regardless of whether it is measured on an individual basis or a collective basis.

Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument (e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost);
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortized cost or FVTOCI are credit-impaired at each reporting date. To assess if debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings, and the ability of the borrower to raise funding.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract, and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in OCI and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Presentation of allowance for ECL in the statements of financial position

Loss allowances for ECL are presented in the statements of financial position as follows:

- for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognized in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve; and
- for loan commitments and financial guarantee contracts: as a provision.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method. Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Since the Company has no financial liabilities classified at FVTPL, all financial liabilities are subsequently measured at amortized cost.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. EIR is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments.

These foreign exchange gains and losses are recognized in the 'other gains and losses' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognized in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

A right to offset must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognized, and the consideration paid and payable is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least ten percent (10%) different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by Company are recognized at the proceeds received, net of direct issue costs.

Share Capital

Share Capital are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Retained earnings

Retained earnings represent accumulated profit attributable to equity holders of the Company after deducting dividends declared. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Deficit

Deficit represents accumulated losses incurred by the Company. Deficit may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Inventories

Inventories are initially measured at cost. Subsequently, inventories are stated at the lower of cost and net realizable value. The costs of inventories are calculated using the first-in, first-out method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

When the net realizable value of the inventories is lower than the cost, the Company provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in profit or loss. The amount of any reversal of any writedown of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to income as these are consumed in operations or expire with the passage of time.

Prepayments are classified in the statements of financial position as current asset when the cost of goods or services related to the prepayment are expected to be incurred within one (1) year or the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Property and Equipment

Property and equipment are initially recognized at cost. The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

At the end of each reporting period, item of property and equipment measured using the cost model are carried at cost less any subsequent accumulated depreciation, and impairment losses. Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences at the time the assets are ready for their intended use.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Computer equipment	3 years
Leasehold improvements	2-3 years or lease term, whichever is shorter
Office furniture and fixtures	5-10 years

Leasehold improvements are depreciated over the improvement's useful life of two to three years and when shorter, the term of the relevant lease.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible asset

Intangible asset acquired separately

Intangible asset are initially measured at cost. Subsequent to initial recognition, intangible asset with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over the estimated useful lives. The estimated useful life and the amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible asset with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of Tangible and Intangible Asset

At the end of each reporting period, the Company assesses whether there is any indication that any of its tangible and intangible asset may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be identified.

Intangible asset with indefinite useful lives and intangible asset not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized as an expense, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income.

Revenue Recognition

The Company recognizes revenue primarily from sale of goods.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product to a customer.

Sale of goods

The Company recognizes revenue when it transfers control over a good to a customer. Transfer of control coincides with the customer's acceptance and delivery of goods and services. Revenue is measured at the transaction price which the Company expects to be entitled, excluding amounts collected on behalf of third parties. Revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Revenue is recognized when the significant transfer of control of ownership have been conveyed to the customer, recovery of consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of discounts and rebates.

Revenue is recognized at a point in time when the control of the goods has transferred to the customer, being at the point the customer received and accepted the goods at their premises.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Other income

Other income is income generated outside the normal course of business and is recognized when it is probable that the economic benefits will flow to the Company and it can be measured reliably.

Expense Recognition

Expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Expenses in the statement of comprehensive income are presented using the function of expense method. Costs of sales are expenses incurred that are associated with the goods sold. Operating expenses are costs attributable to administrative, marketing, selling and other business activities of the Company.

Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for shortterm leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The date of initial application of PFRS 16 for the Company is January 1, 2019.

The Company has applied PFRS 16 using the modified retrospective approach, with restatement of the comparative information.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. This rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under PAS 37. The costs are included in the related right-of-use asset. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related rightof-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line on the statements of financial position. The Company applies PAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of Tangible and Intangible Asset's policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line other expenses in the statement of comprehensive income.

As a practical expedient, PFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

Foreign Currency

Transactions in currencies other than functional currency of the Company are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as adjustments to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. An entity that has a post-employment benefit plan for the employees and key management personnel of the Company are also considered to be related parties.

Taxation

ncome tax expense represents the sum of the current tax and deferred tax expense.

Current tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax expense is calculated using 30% regular corporate income tax (RCIT) rate or 2% minimum corporate income tax rate, whichever is higher.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Events after the Reporting Period

The Company identifies events after the end of the reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements were authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations, that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

Functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates.

Leases

The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains, a lease when the fulfillment of the arrangement depends on a specific asset or assets and the arrangement conveys the right to use the asset.

Classification of leases

On transition to PFRS 16, lease liabilities were measured at the present value of remaining lease payments for these leases, discounted at the Company's incremental borrowing rate as at January 1, 2019. The right-of-use assets is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

As a practical expedient, the Company did not recognize right-of-use assets and liabilities for leases of low value assets. For these lease arrangements, the lease payments are recognized as an expense on a straight-line basis over the lease term. The selection of leases for which the underlying asset is of low value is made on a lease-by-lease basis and in consideration of the (i) benefit from the use of the underlying asset and (ii) if the underlying asset is not highly dependent or highly interrelated with other assets.

Estimating the incremental borrowing rate of leases

The Company uses its incremental borrowing rate to measure lease liabilities. By definition, this rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the incremental borrowing rate using available observable inputs (functional currency, risk premium and yield curve) adjusted for entity-specific estimates, to reflect the terms and conditions of the lease.

The Company has applied an incremental borrowing rate of 7.5% for the computation of lease liabilities and right-of-use assets as at March 31, 2020.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimating loss allowance for ECL

The Company measures expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions. When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

The Company estimates the allowance for ECL related to its due from related parties based on assessment of specific accounts when the Company has information that certain counterparties are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the counterparty and the counterparty's current credit status based on credit reports and known market factors. The Company used judgment to record specific reserves for counterparties against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

As at March 31, 2020 and 2019, the Company recognized provision for expected credit loss amounting to P1,909,648 and nil, respectively. Total trade and other receivables as at March 31, 2020 and 2019 amounted to P165,236,389 and P58,472,352, respectively, as disclosed in Note 7.

Estimating useful lives of property and equipment, intangible asset and right-of-use assets

The useful lives of the Company's property and equipment, intangible asset and rightof-use assets are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

As at March 31, 2020 and 2019, the carrying amounts of the Company's property and equipment amounted to P936,438 and P909,587, respectively. Total accumulated depreciation as at March 31, 2020 and 2019 amounted to P1,292,796 and P826,227, respectively, as disclosed in Note 10.

As at March 31, 2020 and 2019, the carrying amounts of the Company's intangible asset amounted to P 1,514,700 and P 2,065,500, respectively. Total accumulated amortization as at March 31, 2020 and 2019 amounted to P1,239,300 and P688,500, respectively as disclosed in Note 11.

As at March 31, 2020 and 2019, the carrying amount of the Company's right-of-use assets amounted to P 924,464 and P 120,068, respectively. Total accumulated depreciation as at March 31, 2020 and 2019 amounted to P660,331 and P1,320,748 as disclosed in Note 16.

Asset impairment

The Company performs an impairment review when certain impairment indicators are present. Purchase accounting requires extensive use of accounting estimates and judgment to allocate the purchase price to the fair market values of the assets and liabilities purchased.

Determining the recoverable amount of property and equipment, right-of-use asset and intangible asset which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property and equipment, right-of-use asset and intangible asset are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges.

As at March 31, 2020 and 2019, the Management believes that the recoverable amounts of the Company's property and equipment, right-of-use asset and intangible asset, exceed their carrying amounts; accordingly, no impairment loss was recognized in both years.

Estimating net realizable value of inventories

The net realizable value of inventories represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The Company determines the estimated selling price based on the recent sale transactions of similar goods with adjustments to reflect any changes in economic conditions since the date the transactions occurred. The Company records provision for excess of cost over net realizable value of inventories. While the Company believes that the estimates are reasonable and appropriate, significant differences in the actual experience or significant changes in estimates may materially affect the profit or loss and equity.

Management believes that there is no further allowance for inventory losses is required in excess of those that were already provided as at March 31, 2020 and 2019, amounting to P2,972,129 and nil, respectively, as disclosed in Note 8.

Total inventories recognized in the Company's statement of financial position amounted to P65,863,440 and P 17,500,299 as at March 31, 2020 and 2019, respectively, as disclosed in Note 8.

Deferred tax assets

The Company reviews the carrying amounts at the end of each reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Company will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

Total deferred tax assets recognized in the statement of financial position as at March 31, 2020 and 2019 amounted to P1,619,747 and P99,991, respectively, as disclosed in Note 17. Based on the Management's assessment, this amount can be utilized in the subsequent periods.

6. CASH

This account consists of:

	2020	2019
Cash on hand	**P 715,500**	P 455,500
Cash in banks	**2,54,24,470**	1,19,60,473
	P26,139,970	P12,415,973

Cash in banks earned average interest of 0.35% in 2020 and 2019. Interest income earned related to these bank deposits amounted to P133,861, P19,064 and P 70,105 for the year ended March 31, 2020, for the three-month period ended March 31, 2019, and for the year ended December 31, 2018, respectively.

7. TRADE AND OTHER RECEIVABLES - NET

The Company's trade and other receivables consist of:

	2020	2019
Trade receivables	P165,803,105	P55,425,642
Less: Allowance for expected credit loss	(19,09,648)	-
	16,38,93,457	5,54,25,642
Advances to officers and employees	13,42,932	30,46,710
	P165,236,389	P58,472,352

Trade receivables are receivables from the Company's distributors. They are secured, non-interest bearing and are generally settled on a 30 to 90 days term.

Movement in allowance for expected credit loss as at March 31 are as follows:

	2020	2019
Balance, April 1	P -	P -
Provision for expected credit loss	19,09,648	-
Balance, March 31	P1,909,648	P -

As of March 31, 2020, receivables written off amounted to P2,857,167, which consists of individually impaired trade receivables customers.

The advances to officers and employees arise from salary loans and travel advances of employees and advanced payments to suppliers.

8. INVENTORIES

Inventories at net realizable value consist of merchandise inventories, which were mostly purchased from the Company's related party in India as disclosed in Note 12.

Inventories recognized in the Company's statements of financial position amounted to P65,863,440 and P17,500,299 as at March 31, 2020 and March 31, 2019, respectively.

In 2020, expired inventories amounting to P2,972,129 was recognized as provision for inventory obsolescence as part of the operating expense in the statement of comprehensive income.

9. PREPAID EXPENSES AND OTHER CURRENT ASSETS

This account consists of:

	2020	2019
Input VAT	P13,719,140	P10,871,205
Prepaid taxes	42,98,273	56,27,973
Prepaid VAT	46,128	-
Prepaid asset	28,26,937	24,31,393
	P20,890,478	P18,930,571

Prepaid taxes account pertains to overpayment of income tax payable which can be used by the Company in future years as a tax credit.

Prepaid asset pertains primarily to prepayments of business licenses and permits, insurance, medical, utilities and others.

10. PROPERTY AND EQUIPMENT - NET

Movements in the carrying amounts of the Company's property and equipment are as follows:

	Computer Equipment	Office Furniture and Fixtures	Leasehold Improvements	Total
Cost				
Balance at January 1, 2018	P 535,970	P522,394	P191,582	P1,249,946
Additions	4,81,785	2,858	1,225	4,85,868
Balance at December 31, 2018	10,17,755	5,25,252	1,92,807	17,35,814
Balance at March 31, 2019	10,17,755	5,25,252	1,92,807	17,35,814
Additions	2,10,714	1,38,446	1,44,260	4,93,420
Balance at March 31, 2020	12,28,469	6,63,698	3,37,067	22,29,234
Accumulated Depreciation				
Balance at January 1, 2018	1,29,100	47,823	1,19,429	2,96,352
Depreciation	2,84,719	81,357	52,604	4,18,680
Balance at December 31, 2018	4,13,819	1,29,180	1,72,033	7,15,032
Depreciation	77,411	20,664	13,120	1,11,195
Balance at March 31, 2019	4,91,230	1,49,844	1,85,153	8,26,227
Depreciation	3,59,077	83,810	23,682	4,66,569
Balance at March 31, 2020	8,50,307	2,33,654	2,08,835	12,92,796
Carrying amount, March 31, 2020	**P378,162**	**P430,044**	**P128,232**	**P936,438**
Carrying amount, March 31, 2019	P526,525	P375,408	P7,654	P909,587
Carrying amount, December 31, 2018	P603,936	P396,072	P20,774	P1,020,782

Management believes that there is no indication of impairment on the Company's property and equipment as at March 31, 2020 and 2019.

11. INTANGIBLE ASSET - NET

The Company's intangible asset pertains to computer software. The movements in the carrying amounts are as follows:

	2020	2019	2018
Cost			
Balance	**P2,754,000**	P2,754,000	P2,754,000
Accumulated Amortization			-
Balance, beginning	**6,88,500**	5,50,800	
Amortization	**5,50,800**	1,37,700	5,50,800
Balance, end	**12,39,300**	6,88,500	5,50,800
Carrying Amounts	**P1,514,700**	P2,065,500	P2,203,200

Management believes that there is no indication of impairment on the Company's computer software in March 31, 2020 and 2019.

12. RELATED PARTY TRANSACTIONS

The Company's related party transactions in 2020 and 2019 are summarized as follows:

Category	Amounts	Outstanding Balance Trade Payables	Due to Related Parties	Terms	Conditions	Ref
2020 **Parent company** Purchase of inventories	P262,094,703	P146,770,786	P -	Non-interest bearing, to be collected in cash, 180 days term	Unsecured and Unguaranteed	a
Advances	-	-	5,41,06,640	Non-interest bearing, to be settled in cash, due and demandable	Unsecured and Unguaranteed	b
Related Party Reimbursable expenses	3,60,709	-	68,85,560	Non-interest bearing, to be settled in cash, due and demandable	Unsecured and Unguaranteed	c
Others	-	-	1,02,25,946	Non-interest bearing, to be settled in cash, due and demandable	Unsecured and Unguaranteed	d
		P146,770,786	**P71,218,146**			
2019 **Parent company** Purchase of inventories	P5,837,395	P34,261,007	P -	Non-interest bearing, to be collected in cash, 180 days term	Unsecured and Unguaranteed	A
Advances	-	-	5,59,48,920	Non-interest bearing, to be settled in cash, due and demandable	Unsecured and Unguaranteed	B
Related Party Reimbursable expenses	-	-	65,24,850	Non-interest bearing, to be settled in cash, due and demandable	Unsecured and Unguaranteed	C
Others	-	-	1,02,25,946	Non-interest bearing, to be settled in cash, due and demandable	Unsecured and Unguaranteed	D
		P34,261,007	P72,699,716			

a. The Company purchases inventories from its Parent Company with 180-day credit term.

b. The Company received advances from its Parent Company amounting to $1,060,000 in 2018, for working capital purposes.

c. The Company has payables to its affiliate, Bharat Serums and Vaccines Limited Philippines-Representative office, related to expense reimbursements.

d. Others contain payables due to purchases of accounting software and asset transfer from its affiliate, Bharat Serums and Vaccines Limited Philippines-Representative office during 2017.

Remuneration of Key Management Personnel

The remuneration of the Directors and other members of key management personnel of the Group are set out below in aggregate for each of the categories specified in PAS

	2020	2019	2018
Short-term employee benefits	**P8,120,570**	P1,590,267	P 4,685,974

13. TRADE AND OTHER PAYABLES

The Company's trade and other payables is consists of:

	Note	2020	2019
Trade payables: Related party			
	12	**P146,770,786**	P34,261,007
Third party		**20,03,099**	9,98,760
Output tax		**1,73,74,987**	1,36,46,971
Commission payable		**1,19,99,142**	-
Accrued expenses		**30,41,285**	28,37,866
Payable to government		**17,02,954**	25,75,692
Advances from employees		**8,781**	8,781
Other payables		**49,52,517**	-
		P187,853,551	P54,329,077

Accrued expenses include accruals for payroll, professional fees, sales and marketing, travel, and other expenses.

14. REVENUE

The Company's revenue is consist of:

	March 31, 2020 (Twelve-month)	March 31, 2019 (Three-month)	December 31, 2018 (Twelve-month)
Critical care	**P353,703,394**	P91,884,939	P267,493,052
Women's health	**7,75,80,308**	2,18,39,817	4,15,01,352
	P431,283,702	P 113,724,756	P308,994,404

The Company currently generates revenue from importing, marketing and distributing pharmaceutical products. These products are delivered and sold to customers through subcontracted distributors (the "Distributor"). The Distributor is billed based on the amount of consideration received from end-customers less distribution fees as specified in the contract.

The Company's products are very unique and highly specialized that target specific customers. As a strategy, these products are marketed under two (2) business units, to wit:

Critical care

The Critical Care strategic business unit handles two (2) sets of products.

The first group is the IV Antibiotics which are recommended for Use in Life-threatening Infections. BSV IV Antibiotics cover both Invasive Fungal Infections through the Amphotericin Line and combats Multi-Drug Resistant Gram-Negative Bacterial Infection through the product Polymyxin B. These are very powerful drugs that can extend the lives of critically ill and infected patients.

The second group is highly specialized products which are the Immunoglobulins. These are used as passive vaccines to fight autoimmune diseases like GBS/Lupus/Kawasaki Disease/Aplastic Anemia and others. The business unit also market a life -saving product Streptokinase, which is the gold standard Thrombolytic in Acute Myocardial Infarction.

Women's health

Women's Health strategic business unit carries both pharmaceutical products and diagnostic devices towards the quality care of women from infertility, pregnancy, child birth to menopause. The business unit is further divided into two (2) sales lines. First is General Obstetrics and Gynecology that targets women under different stages; pregnancy, adulthood and menopausal period. The second is Infertility Line that after infertile couples.

15. COST OF SALES

This account consists of:

	Note	March 31, 2020 (Twelve-month)	March 31, 2019 (Three-month)	December 31, 2018 (Twelve-month)
Beginning inventories		**P 17,500,299**	P96,153,648	P 79,265,064
Add: Purchases for the year		**29,07,70,453**	58,37,395	26,40,02,046
Available for sale		**30,82,70,752**	10,19,91,043	34,32,67,110
Less: Ending inventories	8	**6,58,63,440**	1,75,00,299	9,61,53,648
		P242,407,312	P84,490,744	P247,113,462

16. LEASES

The Company entered into lease agreements, to wit:

Lessor	Premises	Ref	Lease Term	Start Date	Expiry Date
Anna Belinda Ramiscal	Office Space	a	24 months	June 1, 2017	May 31, 2019
			24 months	June 1, 2019	May 31, 2021
Amberland Corporation	Parking lots	b	12 months	September 6, 2017	September 5, 2018
			12 months	September 6, 2018	September 5, 2019
			12 months	September 6, 2019	September 5, 2020
		c	12 months	February 12, 2018	February 11, 2019
			12 months	February 12, 2019	February 11, 2020
			12 months	February 12, 2020	February 11, 2021
		b	12 months	July 1, 2019	June 30, 2020

a. The Company entered into a lease agreement with Anna Belinda Ramiscal to use the office space located at Unit 3805 One San Miguel Avenue Office Condominium Corp. with an office area of 168 square meters, located at 38th floor and parking space of 12 square meters, located at 4th floor. On March 2019, the lease was renewed for another year extending until May 31, 2021.

b. The Company also entered into two lease agreements with Amberland Corporation to use three (3) parking slots with an area of 12.50 square meters each more or less, located at the 4th floor and 5th Basement of One San Miguel Avenue Condominium on September 6, 2018 and July 1, 2019, respectively. The first lease agreement is effective until September 5, 2019 and this was renewed during the year until September 5, 2020. The second lease agreement is effective until June 30, 2020.

c. On February 11, 2019, the Company has entered another lease agreement with Amberland Corporation to use a parking slot with an area of 12.50 square meters, located at the 4th floor of One San Miguel Avenue Condominium. On February 12, 2020, the lease was renewed for another year extending until February 11, 2021.

During the period, the Company accounted the office lease agreement under PFRS 16. As a result, the company recognized right-of-use and lease liability.

Movements in the carrying amount of the Company's right-of-use asset is as follows:

	2020	2019
Cost		
Balance, beginning	P1,440,816	P1,440,816
Additions	15,84,795	-
Derecognition	(14,40,816)	-
Balance, March 31,	15,84,795	14,40,816
Accumulated Depreciation		
Balance, beginning	13,20,748	11,40,646
Depreciation	7,80,399	1,80,102
Derecognition	(14,40,816)	-
Balance, March 31,	6,60,331	13,20,748
Carrying amount	P 924,464	P 120,068

The analysis of the Company's lease liabilities in accordance with PFRS 16 is shown below:

	2020	2019
Not later than one year	P807,454	P123,925
Later than one year but not later than five years	-	-
Present value of lease obligations	P807,454	P123,925

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

Shown below is the maturity analysis of the undiscounted lease payments:

	March 31, 2020	March 31, 2019	December 31, 2018
Less than one year	P840,632	P127,368	P704,000

Set out below are the amounts recognized in the statements of comprehensive income:

	March 31, 2020	March 31, 2019	December 31, 2018
Depreciation expense on ROU assets	P 780,399	P180,102	P -
Interest expense on lease liabilities	66,734	6,221	-
Rent expense on short-term lease	3,16,105	49,000	9,43,211
	P1,163,238	P235,323	P943,211

Exempt Lease Transactions

Leases for less than 12 months are exempted from capitalization to right-of-use assets as Management believes that the lease agreements entered into by the Company did not transfer substantially all the risk and rewards over the lease asset.

17. INCOME TAXES

Income tax expense (benefit) consists of:

	March 31, 2020 (Twelve-month)	March 31, 2019 (Three-month)	December 31, 2018 (Twelve-month)
Current	P 7,728,868	P	P -
Deferred	(967,072)	(3,246,789)	(4,594,306)
	P 6,761,796	(P3,246,789)	(P4,594,306)

The reconciliation of income tax expense (benefit) computed at the statutory tax rate and the income tax recognized in profit or loss follows:

	March 31, 2020 (Twelve-month)	March 31, 2019 (Three-month)	December 31, 2018 (Twelve-month)
Income (loss) before income tax	P 46,093,964	P8,474,282	(P39,201,374)
Income tax expense	1,38,28,189	25,42,285	-1,17,60,412
(benefit) at the statutory income tax rate of 30%			
Nondeductible expense	8,57,150	-	13,977
Interest income subjected to final income tax	(40,158)	-5,719	-21,032
Movement on the previously unrecognized DTA on NOLCO	(78,83,385)	-	-
Unrecognized DTA for NOLCO	-	7,10,223	71,73,161
	P 6,761,796	P3,246,789	(P4,594,306)

The following are the composition of deferred tax assets and liabilities recognized by the Company and its movements during the year:

Deferred Tax Assets

	Balance, December 31, 2017	Charged to Profit/Loss	Balance, December 31, 2018	Charged to Profit/Loss	Charged to RE	Balance, March 31, 2019	Charged to Profit/Loss	Balance, March 31, 2020
Unrealized foreign exchange loss	P -	P3,343,559	P3,343,559	(P3,245,111)	P -	P98,448	P 48,804	P 147,252
Excess of depreciation and interest over rental payments	-	-	-	-1,678	3,221	1,543	6,419	7,962
Allowance for estimated credit loss	-	-	-	-	-	-	5,72,894	5,72,894
Provision for inventory obsolescence	-	-	-	-	-	-	8,91,639	8,91,639
	P -	P3,343,559	P3,343,559	(P3,246,789)	P3,221	P99,991	P1,519,756	P1,619,747

Deferred Tax Assets

	Balance, December 31, 2017	Charged to Profit/Loss	Balance, December 31, 2018	Charged to Profit/Loss	Charged to RE	Balance, March 31, 2019	Charged to Profit/Loss	**Balance, March 31, 2020**
Unrealized foreign exchange gain	P1,250,747	(P1,250,747)	P -	P -	P -	P -	P552,684	**P552,684**

Details of NOLCO are as follows:

Period incurred	Amount	Applied in current year	2020 Balance	Year of expiry
January 1, 2018 to December 31, 2018	P23,910,537	P23,910,537	P -	December 31, 2021
January 1, 2019 to March 31, 2019	23,67,412	23,67,412	-	March 31, 2022

18. FAIR VALUE INFORMATION

The fair values of the Company's financial assets and liabilities are shown below:

	March 31, 2020		February 14, 2020		
Period incurred	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial Assets Cash in bank	**P 25,424,470**	**P 25,424,470**	P11,960,473	P11,960,473	Level 3
Trade and other receivables	**16,52,36,389**	**16,52,36,389**	5,84,72,352	5,84,72,352	Level 3
	P190,660,859	**P190,660,859**	P70,432,825	P70,432,825	
Financial Liabilities					
Trade and other payables*	**P168,775,610**	**P168,775,610**	P 38,106,414	P38,106,414	Level 3
Due to related parties	**7,12,18,146**	**7,12,18,146**	7,26,99,716	7,26,99,716	Level 2
	P239,993,756	**P239,993,756**	P110,806,130	P110,806,130	

*This excludes government payables and output tax which are not considered financial liabilities.

The difference between the carrying amount of trade and other payables disclosed in the statements of financial position and the amount disclosed in this note pertains to payables to the government, which are not considered financial liabilities.

Due to the short-term nature of the transactions, the carrying amounts of cash in bank, trade and other receivables, trade and other payables and due to related parties at reporting date approximate their fair values.

Fair values are determined in a manner as described in Note 2.

There were no transfers between fair value levels in 2020 and 2019.

19. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Company is exposed to financial risks such as market risk which includes foreign exchange risk and fair value interest rate risk, credit risk and liquidity risk. The Company's policies and objective in managing these risks are summarized below:

Market risk

Market risk refers to the possibility that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's profit or the value of its holdings of financial instruments. The Company focuses on two market risk areas namely interest rate risk and foreign currency risk. The objective and management of these risks are discussed below.

Foreign currency risk

Foreign currency exchange risk arises when an investment's value changing due to changes in currency exchange rate. The Company undertakes certain transactions denominated in foreign currencies, hence, exposures to exchange rate fluctuations arise. Significant fluctuation in the exchange rates could significantly affect the Company's financial position.

The Company has no established policy in managing foreign exchange rate risk. Any favorable or unfavorable movements of foreign currency exchange rates are absorbed by the Company.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

	2020	2019
US Dollar		
Cash	**P 336,329**	P -
Trade and other payables	**(14,67,70,786)**	(58,00,733)
Due to related parties	**(5,41,06,640)**	(8,44,48,000)
	(P200,541,097)	(P90,248,733)

The following table details the Company's sensitivity to a 3.29% increase and decrease in the Philippine peso against the relevant foreign currencies. The sensitivity rate used in reporting foreign currency risk internally to key management personnel is 3.29% and it represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for 3.29% in foreign currency rates.

The sensitivity analysis includes all of the Company's foreign currency denominated monetary assets and liabilities. A positive number below indicates an increase in profit for the year when the Philippine Peso strengthens by 3.29% against the relevant currency. For a 3.29% weakening of the Philippine Peso against the relevant currency, there would be an equal and opposite impact on the profit and equity for the year.

	Effects on profit and equity for the year	
US Dollar Cash	**2020**	2019
	(P 11,065)	P -
Trade and other payables	**48,28,758**	1,90,844
Due to related parties	**17,80,108**	27,78,339
	P6,597,801	P2,969,183

Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest.

The primary source of the Company's interest rate risk relates to cash, and lease liability, which are disclosed in Notes 6 and 16, respectively.

The Company follows a policy to ensure that its exposure to fluctuations of interest rates is kept within acceptable limits. The cash in bank are short-term in nature and with the current interest rate level, any variation in the interest will not have a material impact on the profit of the Company. The Company's loan and lease liabilities are subject to fixed rates and are measured at amortized costs, hence, they are not subject to repricing and will not have a material impact on the profit of the Company.

Credit Risk

Credit risk refers to the possibility 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, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Trade and other receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, when appropriate, credit guarantee insurance cover is purchased.

The Company does not have significant credit risk exposure to any single counterparty.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimize credit risk, the Company has tasked its credit management committee to develop and maintain the Company's credit risk grading to categorize exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information, and the Company's own trading records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >120 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL, not creditimpaired
In default	Amount is >180 days past due or there is evidence indicating the asset is creditimpaired.	Lifetime ECL, creditimpaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written-off.

The table below details the credit quality of the Company's financial assets and other items, as well as the Company's maximum exposure to credit risk by credit risk rating grades:

2020	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
Cash	6	N/A	Performing	12-month ECL	**P 25,424,470**	**P -**	**P 25,424,470**
Trade and other receivables	7	N/A	Doubtful	Lifetime ECL (simplified approach)	**16,71,46,037**	**-19,09,648**	**16,52,36,389**
					P192,570,507	**(P1,909,648)**	**P190,660,859**
2019							
Cash	6	N/A	Performing	12-month ECL	P11,960,473	P -	P11,960,473
Trade and other receivable	7	N/A	Doubtful	Lifetime ECL (simplified approach)	5,84,72,352	-	5,84,72,352
					P70,432,825	P -	P70,432,825

For trade and other receivables, the Company has applied the simplified approach in PFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 7 include further details on the loss allowance for this asset.

Liquidity risk

Liquidity risk is the possibility that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective of managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following table details the Company's contractual maturities for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

The amounts are estimated forecasts of the Company's plans to settle the obligations as they fall due.

March 31, 2020	Carrying Amount	Contractual Cash Flow	6 Months or Less
Trade and other payables	**P168,775,610**	**P168,775,610**	**P168,775,610**
Due to related parties	**7,12,18,146**	**7,12,18,146**	**7,12,18,146**
	P239,993,756	**P239,993,756**	**P239,993,756**
March 31, 2019			
Trade and other payables	P38,106,414	P38,106,414	P38,106,414
Due to related parties	7,26,99,716	7,26,99,716	7,26,99,716
	P110,806,130	P110,806,130	P110,806,130

The difference between the carrying amount of trade and other payables disclosed in the statements of financial position and the amount disclosed in this note pertains to payables to the government and output tax, which are not considered financial liabilities.

The Management believes that sufficient funds are available to pay its maturing obligations.

20. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders, through optimization of the debt and equity balance.

The Company's overall strategy remains unchanged from 2020 and 2019.

The capital structure of the Company consists of debt, which includes the current and non-current liabilities excluding non-financial liabilities, as offset by cash, disclosed in Note 6, and equity and equity attributable to equity holders of the parent, comprising issued capital and retained earnings.

The gearing ratio at year-end is as follows:

	2020	2019
Debt	**P240,801,210**	P110,930,055
Cash	**(2,61,39,970)**	(1,24,15,973)
Net debt	**21,46,61,240**	9,85,14,082
Equity	**2,19,86,533**	(1,66,38,377)
Net debt to equity ratio	**9.76 : 1.00**	(5.92) : 1.00

The Management believes that the above ratios are within the acceptable range.

There were no changes in the Company's approach to capital management during the year.

21. OTHER MATTERS

On January 30, 2020, the World Health Organization (WHO) declared an international health emergency due to the outbreak of coronavirus. Since March 11, 2020 the WHO has characterized the spread of the coronavirus as a pandemic. Management considers the spread of the coronavirus and the resulting actions by government to contain the spread. This resulted to limited physical access to the Company's office premises during the lockdown period. Nevertheless, the Company's operations remains uninterrupted, since the Company is capable of operating offsite and online.

As the situation remains fluid as at the date these financial statements are authorized for issue, the Management believes that the length or severity of this pandemic will not materially impact the financial position, results of operations, and cash flows for the year ending 2020 onwards.

22. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR) UNDER REVENUE REGULATIONS NO. 15-2010

The following supplementary information are presented for purposes of filing with the BIR and are not required part of the basic financial statements.

Output VAT

Details of the Company's output VAT in 2020 are as follows:

	Vatable	Total
Revenue	P431,283,925	P431,283,925
Output VAT rate	12%	
	P51,754,071	**P51,754,071**

Details of the Company's input VAT claimed during the year are as follows:

Balance, January 1	P -
Domestic purchase of goods other than capital goods	29,80,939
Importation of goods other than capital goods	3,58,93,933
Domestic purchase of services	12,41,275
Balance, December 31	P40,116,147

VAT payments made in the previous quarters amounted to P8,126,462.

A. Taxes on importation of goods

Total landed cost of imports in 2020 and 2019 amounted to P299,116,025 and P5,535,036, respectively. Total custom duties and tariff fees paid and accrued in relation to the imports amounted to P9,041,455 and P302,359, in 2020 and 2019, respectively.

B. Withholding taxes

Details of the Company's withholding taxes paid or accrued during the year is as follows:

	Amount
Tax on compensation and benefits	**P10,164,104**
Expanded withholding taxes	**5,10,290**
	P10,674,394

C. Other taxes and licenses

This includes all other taxes, local and national presented as “Taxes and licenses” in the statement of comprehensive income.

	Amount
Business tax and permits fees	P2,688,646
Annual registration fee	500
Others	4,36,593
	P3,125,739

D. Deficiency tax assessments and cases

As at March 31, 2020, the Company has no tax case and amounts involved, under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.

23. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company were approved and authorized for issuance by the Board of Directors on July 27, 2020.

BSVLIFE PRIVATE LIMITED

BSVLIFE PRIVATE LIMITED

Independent Auditor's Report

TO THE MEMBERS OF BSVLIFE PRIVATE LIMITED (FORMERLY KNOWN AS EUROLIFE REGEN PRIVATE LIMITED)

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying standalone financial statements of BSVLIFE PRIVATE LIMITED (Formerly known as EUROLIFE REGEN PRIVATE LIMITED) ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Paragraph

4. We draw attention to Note 11 (c) in the financial statements, which indicates that the Company incurred a net loss of Rs.29,500 during the year ended March 31, 2020 and, as of that date, the Company's current liabilities exceeded its total assets by 1,63,55,062. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

6. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting

policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

14. The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

15. 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.

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

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

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

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B"

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 R. U. KAMATH & CO.

Chartered Accountants

Firm's registration number: 104650W

R. U. Kamath

Partner

Membership number: 34431

Place: Mumbai

Date:

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF EUROLIFE REGEN PRIVATE LIMITED, ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ANNEXURE A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i)

(a) According to information and explanation given to us, the Company does not have any fixed assets.

(b) According to information and explanation given to us, the Company does not own any immovable assets.

(ii) According to information and explanation given to us, the Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) According to information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable:

(iv) According to information and explanation given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion and according to information and explanation provided to us, the Company has not accepted any deposits from public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) In our opinion and according to information and explanation provide to us, The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, for the business activities carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)

(a) In our opinion and according to information and explanation provide to us, the Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, value added tax, central sales tax, service-tax, GST, custom duty, cess and other material statutory dues, as applicable to it, with the appropriate authorities. No undisputed amounts payable in respect of aforesaid dues which were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) In our opinion and according to information and explanation provide to us, there are no material dues in respect of provident fund, employees' state insurance, income-tax, value added tax, central sales tax, service-tax, GST, custom duty, cess and other material statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans during the year have been applied by the Company for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with the directors or persons connected with them and hence provisions of section 192 of the Act are not applicable to the Company.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For R. U. KAMATH & CO.

Chartered Accountants

Firm's registration number: 104650W

R. U. Kamath

Partner

Membership number: 34431

Place: Mumbai

Date:

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")

Opinion

We have audited the internal financial controls over financial reporting of **BSVLIFE PRIVATE LIMITE (Formerly known as EUROLIFE REGEN PRIVATE LIMITED)** ("the Company") as of 31 March 2020 in conjunction with our audit of the 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 Act

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial 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 expenditure of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 31 March 2020, 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 ICAI.

For R. U. KAMATH & CO.

Chartered Accountants

Firm's registration number: 104650W

R. U. Kamath

Partner

Membership number: 34431

Place: Mumbai

Date:

BSVLIFE PRIVATE LIMITED (FORMERLY KNOWN AS EUROLIFE REGEN PRIVATE LIMITED)

Standalone Balance Sheet as at 31st March, 2020

Particulars	Note	As at 31st March 2020	As at 31st March 2019
ASSETS			
Current Assets			
Financial Assets			
- Cash and Cash Equivalents		-	-
TOTAL ASSETS		-	-
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	4	1,00,00,000	1,00,00,000
Other Equity	5	(2,64,05,062)	(2,63,25,562)
Total Equity		**(1,64,05,062)**	**(1,63,25,562)**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
- Borrowings	6	1,20,00,000	1,20,00,000
Other Current Liabilities	7	44,05,062	43,25,562
Total Liabilities		**1,64,05,062**	**1,63,25,562**
TOTAL EQUITY AND LIABILITIES		-	-

Significant Accounting Policies 3

The Notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For R. U. Kamath & Co.
Chartered Accountants
Firm Registration Number 104650W

For and on behalf of the board of directors of
BSVlife Private Limited (Formerly known as Eurolife Regen Private Limited)
CIN:U73100MH2013PTC251249

R. U. Kamath
Partner
Membership No. 034431

Sanjiv Navangul
Director
DIN : 02924640

Place : Mumbai
Date :

Place : Mumbai
Date :

BSVLIFE PRIVATE LIMITED (FORMERLY KNOWN AS EUROLIFE REGEN PRIVATE LIMITED)

Standalone Statement of profit and loss for the year ended 31st March, 2020

Particulars	Note	As at 31st March 2020	As at 31st March 2019
Income			**2,559**
Other Income	8	-	
Total Income			**2,559**
		-	
Expenses			
Finance Costs	9	-	**27,531**
Other Expenses	10	79,500	**29,500**
Total Expenses		**79,500**	**57,031**
Profit Before Tax		**(79,500)**	**(54,472)**
Tax Expense		-	-
Profit for the year		**(79,500)**	**(54,472)**
Other Comprehensive Income		-	-
Total Comprehensive Income		**(79,500)**	**(54,472)**
Earnings Per Equity Share	11(a)		
Basic		**(0.08)**	**(0.05)**
Diluted		**(0.08)**	**(0.05)**

Significant Accounting Policies 3

The Notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For R. U. Kamath & Co.
Chartered Accountants
Firm Registration Number 104650W

R. U. Kamath
Partner
Membership No. 034431

Place : Mumbai
Date :

For and on behalf of the board of directors of
BSVlife Private Limited (Formerly known as Eurolife Regen Private Limited)
CIN:U73100MH2013PTC251249

Sanjiv Navangul
Director
DIN : 02924640

Place : Mumbai
Date :

BSVLIFE PRIVATE LIMITED (FORMERLY KNOWN AS EUROLIFE REGEN PRIVATE LIMITED)

Standalone Cash Flow statement as at 31st March, 2020

	Particulars	Year ended 31st March 2020	Year ended 31st March 2019
A.	**Cash Flow From Operating Activities :**		
	Net Profit Before Tax	(79,500)	(54,472)
	Adjustment for :		
	Finance Cost (including fair value change in financial instruments)		
	Sundry balance Written/back		(2,559)
	Operating Profit/ (Loss) before working capital changes	**(79,500)**	**(57,031)**
	Working capital changes:		
	Other liabilities	79,500	-
	Cash Generated from Operating Activities	**-**	**(57,031)**
	Direct Taxes paid	-	-
	Net Cash From Operating Activities	**-**	**(57,031)**
B.	**Cash Flow From Investing Activities**		
	Net Cash Used In Investing Activities	-	-
C.	**Cash Flow From Financing Activities**		
	Net Cash From Financing Activities	-	-
	Net Increase/(Decrease) In Cash And Cash Equivalents	**-**	**(57,031)**
	Cash And Cash Equivalents as at beginning of the year	-	57,031
	Cash And Cash Equivalents as at end of the year	-	-

Notes to Cash Flow Statement:

1. The above Cash Flow Statement has been prepared under the Indirect Method.

This is the Cash Flow statement referred to in our report of even date

For R. U. Kamath & Co.
Chartered Accountants
Firm Registration Number 104650W

R. U. Kamath
Partner
Membership No. 034431

Place : Mumbai
Date :

For and on behalf of the board of directors of
BSVlife Private Limited (Formerly known as Eurolife Regen Private Limited)
CIN:U73100MH2013PTC251249

Sanjiv Navangul
Director
DIN : 02924640

Place : Mumbai
Date :

BSVLIFE PRIVATE LIMITED (FORMERLY KNOWN AS EUROLIFE REGEN PRIVATE LIMITED)

Statement of changes in equity for the year ended 31st March, 2020

Particulars	Year Ended 31st March 2020
Balance at beginning of 1st April 2018	(2,62,71,090)
Add/ (less): Profit/ (loss) for the year	(54,472)
Balance at 31st March 2019	(2,63,25,562)
Add/ (less): Profit/ (loss) for the year	(79,500)
Balance at 31st March 2020	(2,64,05,062)

For R. U. Kamath & Co.
Chartered Accountants
Firm Registration Number 104650W

For and on behalf of the board of directors of
(Formerly known as Eurolife Regen Private Limited)
CIN:U73100MH2013PTC251249

R. U. Kamath
Partner
Membership No. 034431

Sanjiv Navangul
Director
DIN : 02924640

Akshay Alladi
Director
DIN : 08658436

Place : Mumbai
Date :

Place : Mumbai
Date :

Place : Hyderabad
Date :

BSVLIFE PRIVATE LIMITED (FORMERLY KNOWN AS EUROLIFE REGEN PRIVATE LIMITED)

Notes to the Standalone IND AS Financial Statements

for the year ended 31 March, 2020

Currency in Indian Rupees

1) GENERAL INFORMATION

BSVlife Private Limited (Formerly known as Eurolife Regen Private Limited) (the Company) is a private limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of research, development, manufacturing, marketing and sales of biological and pharmaceutical products in India and overseas market.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF STANDALONE IND AS FINANCIAL STATEMENTS ("FINANCIAL STATEMENTS")

a) Statement of compliance

The financial statements of the Company as at and for the year ended 31 March, 2020 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.

The Financial statements are prepared in Indian rupees.

Basis of preparation and presentation

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2B. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

i) Expected to be realised or intended to sold or consumed in normal operating cycle,

ii) Held primarily for the purpose of trading,

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

i) it is expected to be settled in normal operating cycle,

ii) it is held primarily for the purpose of trading,

iii) it is due to be settled within twelve months after the reporting period

iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as noncurrent. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Basis of measurement

These financial statements are prepared under historical cost convention unless otherwise indicated, except for asset held for sale and Biological asset – measured at fair value less cost of sell

Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

a) Property, plant and equipment ("PPE")

I) Recognition and Measurement

i) Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.

ii) 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.

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

iv) Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non-current assets.

II) Subsequent expenditure

Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

III) Depreciation and Amortisation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed under Schedule II to the Act or as per technical assessment. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which is asset is ready to use/ (disposed of). Freehold land is not depreciated.

Tangible Assets	Useful Life
Leasehold Land	Amortized over the period of Lease
Buildings	5 years to 60 years
Plant and Machinery/ factory equipment/ Laboratory equipment	8 years to 20 years
Computers and Accessories	3 years
Electrical Installations	10 years
Furniture and Fixtures	10 to 15 years
Vehicles	8 years
Office Equipment's	5 years

Leasehold improvements are amortized over the useful life of assets or the lease term, whichever is lower.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II to the Act) unless it is reasonably certain that the Company will obtain ownership by the end of the lease term, in which case the depreciation rates applicable for similar assets owned by the Company are applied.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

b) Intangible Assets:

I) Recognition and measurement

Research and Development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets, such as computer software and trademarks and patents that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

II) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred

III) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

The estimated useful lives for current and comparative periods are as follows:

Assets	Useful Life
Patents and technical know-how	10 Years
Computer software	05 Years

c) Operating leases

Assets taken/given on lease under which substantially all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/receipts under operating leases are recognised as expenses/income on straight line basis over the primary period of lease only if lease rentals are not linked to inflation in accordance with the respective lease agreements.

d) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its assets 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 are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating units ("CGU"). The recoverable amount of an asset or CGU is the greater 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 asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e) Government grants and subsidies

Grants related to depreciable assets are treated as deferred income which is recognised in the Statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. Government Grants of revenue nature is reduced from related expenses in the statement of Profit and Loss in the year of its receipt or when there is a reasonable assurance of its being received.

f) Financial instruments

Recognition initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI -debt investment;
- FVOCI -equity investment; or
- FVTPL

f) Financial Instruments (continued)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

if it meets both of the following conditions and is not designated as at FVTPL:

- the asset 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.

  On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

  All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated -e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers not retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognises a financial liability when it terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

g) Equity instruments

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

h) Borrowing costs

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred.

i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j) Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realisable value.

Raw materials, stock-in-trade and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, stock-in-trade, stores and spares and loose tools is determined on a weighted average cost method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

k) **Revenue recognition**

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Company and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Revenue from product sales is stated net of returns, tax and applicable trade discounts and allowances. Revenue from product sales includes excise duty, wherever applicable. Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable and are also netted off for probable saleable and non-saleable return of goods from the customers, estimated on the basis of historical data of such returns

Income from Services

The Company provides manufacturing and diagnostic services to other companies and customers. The income from these services is recognised when the same is performed and accepted by the other party on the basis of invoices.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Export Incentive

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

l) **Foreign currencies**

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- equity investments measured at fair value through other comprehensive income (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2) RETIREMENT AND OTHER EMPLOYEE BENEFITS

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits
Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme and post-employment medical benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated Absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3) INCOME TAXES

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 offset 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.

Minimum Alternate Tax (MAT) under the provision of Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is reasonable evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset ca n be realised.

Deferred tax assets- unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

m) Segment reporting

Identification of segments

The Company is operating only one business segment "pharmaceutical" as its primary segment. The analysis of geographical segments is based on the revenue generating locations. The geographical segment information of the company is categorized under domestic sales and export sales.

q) Earnings Per Share

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

r) Provisions, contingent liabilities and contingent assets:

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount can not be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

s) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank including fixed deposits (having original maturity of less than 3 months), cheques in hand and cash in hand.

t) Measurement of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

The Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization, finance costs and tax expense.

2B Key Accounting Estimates and Judgements

The preparation of financial statements in conformity with the Ind AS requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Company's disclosure of significant accounting policies which are provided in Note 2A to the standalone financial statements, 'Significant accounting policies'.

a. Estimate of current and deferred tax

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments.

b. Recognition of MAT credit entitlement

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Company.

c. Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

d. Estimation of useful life

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset based on its technical expertise. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

e. Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

f. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes. Central corporate treasury team works with various banks for determining appropriate fair value of derivative assets and liabilities. Central treasury team reports to the Chief Financial Officer. In estimating the fair value of derivative assets and liabilities, the Company uses market-observable data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note.

g. Defined Benefit Plans:

The cost of the defined benefit gratuity plan and other post-employment benefits and present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

h. Provision for anticipated sales return:

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on scientific basis after factoring in the historical data of such returns and its trend.

i. Biological Assets

Management uses inputs relating to production and market prices in determining the fair value biological assets.

BSVLIFE PRIVATE LIMITED (FORMERLY KNOWN AS EUROLIFE REGEN PRIVATE LIMITED)

Statement of changes in equity as at 31st March, 2020

NOTE 4 EQUITY SHARE CAPITAL

(In Rupees)

	As at 31st March 2020	As at 31st March 2019
	Amount	Amount
Authorised Share Capital		
Equity shares of Rs. 10/- each	**2,00,00,000**	2,00,00,000
	2,00,00,000	2,00,00,000
Issued, subscribed and fully paid up		
Equity shares of Rs. 10/- each	**1,00,00,000**	1,00,00,000
	1,00,00,000	1,00,00,000

(a) Rights and terms attached to equity shares

The Company has only one class of equity share having par value of Rs. 10 per share. Each holder of equity share is entitle to one vote per share. In the event of liquidation of the Company, the holder of the equity share will be entitle to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the share holders.

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	Number of shares	Share Capital
At the beginning of the period	1,000,000	10,000,000
Add: Issued during the year	-	-
At the end of the period	**1,000,000**	**10,000,000**

(c) Shares in the Company held by each shareholder holding more than five per cent shares

Name of the shareholder	As at 31st March 2020		As at 31 March 2019	
	No.	%	No.	%
"Bharat Serums and Vaccines Limited* Kasiak Research Private Limited was the holding company which got amalgamated with Bharat Serums and Vaccines Limited	10,00,000	100.00%	10,00,000	100.00%

Note 5 Other Equity

(In Rupees)

	As at 31st March 2020	As at 31st March 2019
Retained Earnings		
Balance at beginning of year	(2,63,25,562)	(2,62,71,090)
Add/ (less): Profit/ (loss) for the year	(79,500)	(54,472)
Balance at end of the year	**(2,64,05,062)**	**(2,63,25,562)**

BSVLIFE PRIVATE LIMITED (FORMERLY KNOWN AS EUROLIFE REGEN PRIVATE LIMITED)

Notes to Standalone IND AS Financial Statement as at 31st March, 2020

NOTE 6 BORROWINGS

Particulars	As at 31st March 2020	As at 31st March 2019
Current		
Unsecured		
Loans repayable on demand		
- from Holding company	1,20,00,000	1,20,00,000
Total	**1,20,00,000**	**1,20,00,000**

NOTE 7 OTHER LIABILITIES

Particulars	Current	
	As at 31st March 2020	As at 31st March 2019
Liabilities for expenses	5,49,276	4,69,776
Interest Accrued and due on Borrowings	**38,55,786**	38,55,786
Total	**44,05,062**	**43,25,562**

NOTE 8 OTHER INCOME

Particulars	(In Rupees)	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Other Non-Operating Income:		
Sundry Balance written back	-	2,559
Total	**-**	**2,559**

NOTE 9 FINANCE COSTS

Particulars	(In Rupees)	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Bank charges	-	27,531
Total	-	27,531

BSVLIFE PRIVATE LIMITED (FORMERLY KNOWN AS EUROLIFE REGEN PRIVATE LIMITED)

Notes to Standalone IND AS Financial Statement as at 31st March, 2020

NOTE 10 OTHER EXPENSES

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Rent	50,000	-
Audit fee	29,500	29,500
Total	**79,500**	29,500

NOTE 11

ADDITIONAL/EXPLANATORY INFORMATION

a) **Earnings Per Share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the

Particulars		For the year ended 31-March-2020	For the year ended 31-March-2019
Profit after taxation	In Rupees	(79,500)	(54,472)
Number of equity shares (Face Value Rs.10/-)	Nos.	10,00,000	10,00,000
Earnings per share	**In Rupees**	**(0.08)**	**(0.05)**

b) **Contingent Liabilitites & Commitments**

Company does not have any capital commitments and contingent liabilities at the year end.

c) The Company's networth is fully eroded as on 31st March 2020, The Company's ability to continue as a going concern completely depends upon the financial support/ assistance by its Holding Company.

Company's Management is confident on getting timely financial support from its Holding company.

BSVLIFE PRIVATE LIMITED (FORMERLY KNOWN AS EUROLIFE REGEN PRIVATE LIMITED)

Notes to Standalone IND AS Financial Statement as at 31st March, 2020

NOTE 11

ADDITIONAL/EXPLANATORY INFORMATION

d) Related party disclosures (As per Ind AS 24: Related Party Disclosures) :

(a) Names of related parties and natwe of telationship where control exists are as undec

(b) Names of othet related parties and nature of relationship:

Holding Company	Bharat Serums and Vaccines Limited
KMP of Holding Companny	Gauam Daftaty
	Bharat Daftary

(c) Transactions with related parties (excluding teimbursements)

Nature of Transactions

		Transactions		Outstanding Payable/(Receivable)	
		Year Ended	Year Ended	As at	As at
		31.Mar.20	31.Mar.19	31.Mar.20	31.Mar.19
	Holding Company				
	Interst on ICD	-	-	-	**38,55,786**
i)	ICD	-	-	**1,20,00,000**	**1,20,00,000**
	KMP of Holding Company				
	Rent	**50,000**	-	**50,000**	-
	Others	-	-	**4,40,276**	**4,40,276**

(d) Terms and conditions of transactions with related parties;

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.NOTE 11

BSVLIFE PRIVATE LIMITED (FORMERLY KNOWN AS EUROLIFE REGEN PRIVATE LIMITED)

Notes to Standalone IND AS Financial Statement as at 31st March, 2020

NOTE 12

FINANCIAL INSTRUMENTS – FAIR VALUES

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below . It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2020 including their levels are presented below.

Particulars	Carrying amount					Fair value			
	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Cash and cash equivalents				-	-			-	-
		-	-	-	-	-	-	-	-
Financial liabilities									
Borrowings	6			1,20,00,000	1,20,00,000			1,20,00,000	1,20,00,000
Trade Payables				-	-	-	-	-	-
		-	-	1,20,00,000	1,20,00,000	-	-	1,20,00,000	1,20,00,000

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2019 including their levels are presented below:

BSVLIFE PRIVATE LIMITED (FORMERLY KNOWN AS EUROLIFE REGEN PRIVATE LIMITED)

Notes to Standalone IND AS Financial Statement as at 31st March, 2020

Particulars	Carrying amount					Fair value			
	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Cash and cash equivalents				-	-			-	-
		-	-	-	-	-	-	-	-
Financial liabilities									
Borrowings	6			1,20,00,000	1,20,00,000			1,20,00,000	1,20,00,000
Trade Payables				-	-	-	-	-	-
		-	-	1,20,00,000	1,20,00,000	-	-	1,20,00,000	1,20,00,000

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

BSVLIFE PRIVATE LIMITED (FORMERLY KNOWN AS EUROLIFE REGEN PRIVATE LIMITED)

Notes to Standalone IND AS Financial Statement as at 31st March, 2020

NOTE 13

A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

"The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. As on 31st March 2020, the entire networth of the company is eroded, the Company's ability to continue as going concern completely depends upon the financial support by Holding Company."

(In Rupees)

Particulars	31st March 2020	31st March 2019
Total debt	1,20,00,000	1,20,00,000
Total equity	-1,64,05,062	-1,63,25,562
Debt equity ratio	**-1**	**-1**

B. Financial Risk Management

"The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables, and cash and short term deposits. There are no financial assets as on 31st March 2020"

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i) Market Risk

Market risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans and borrowings, investments and foreign currency receivables, payables and borrowings.

Interest Rate Risks

Interest rate risk can be either fair value interest rate or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rate. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates

Exposure to interest rate risk

The Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(In Rupees)

Particulars	31st March 2020	31st March 2019
Fixed-rate Instruments Financial Liabilities	1,20,00,000	1,20,00,000

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

For R. U. Kamath & Co.
Chartered Accountants
Firm Registration Number 104650W

For and on behalf of the board of directors of BSVlife Private Limited (Formerly known as Eurolife Regen Private Limited) CIN:U73100MH2013PTC251249

R. U. Kamath
Partner
Membership No. 034431

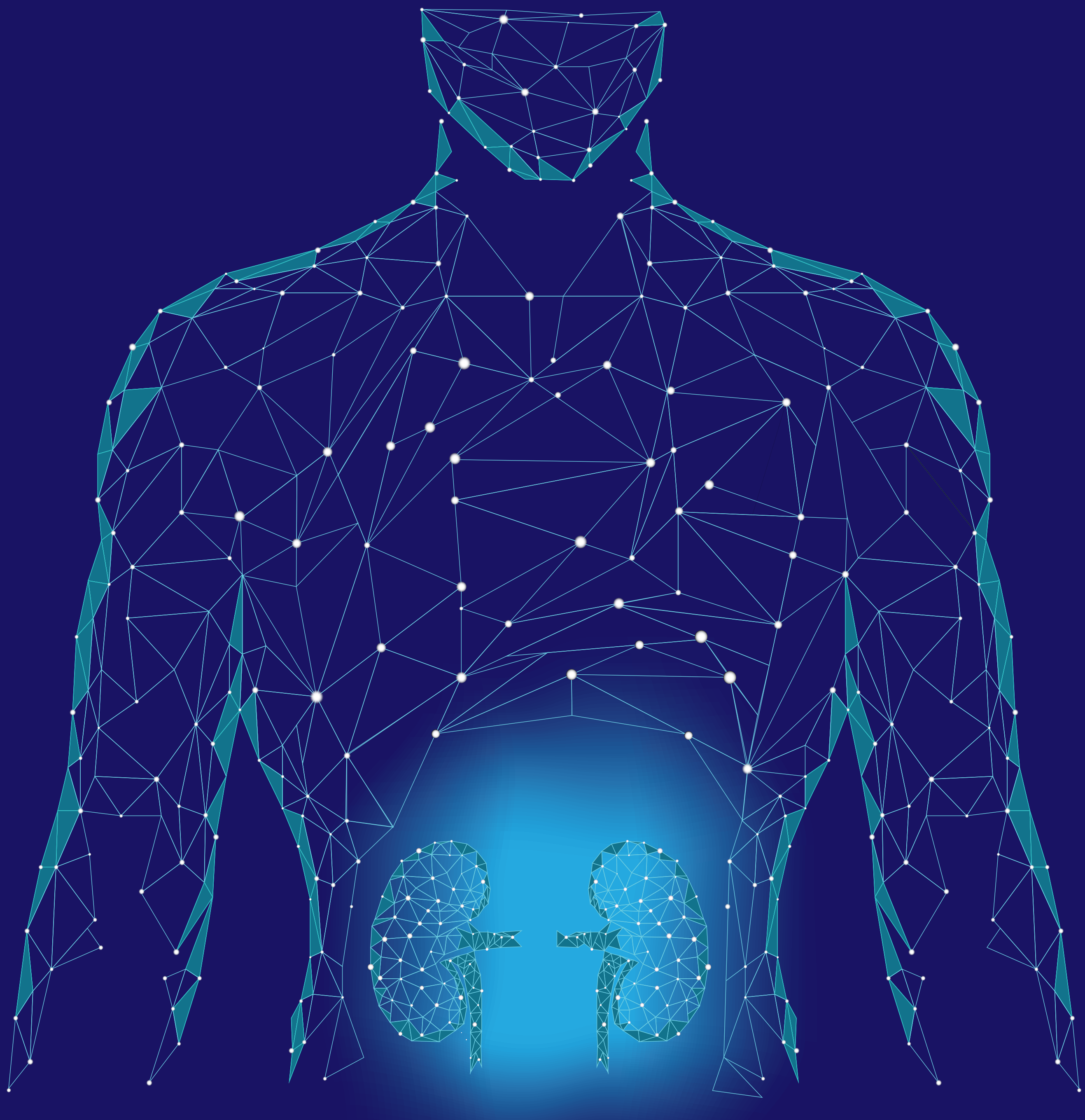
Sanjiv Navangul
Director
DIN : 02924640

Place : Mumbai
Date :

Place : Mumbai
Date :

UROLOGY

Urology is related to the genito-urinary system. It is the branch of medicine that focuses on surgical and medical diseases of the male and female urinary-tract system and the male reproductive organs.



CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARAT SERUMS AND VACCINES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Bharat Serums and Vaccines Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2020, and their consolidated Profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports, referred to in the sub paragraphs (a) and (b) of other matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report in the Annual Report for the year ended 31st March 2020, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements / financial information of four subsidiaries, whose financial statements / financial information, before giving effect to the consolidation adjustments, reflect total assets of Rs. 11,702.17 lakhs as at 31st March 2020, total revenues of Rs. 20,762.91 lakhs and net cash inflow amounting to Rs. 1,043.03 lakhs for the year ended on that date, as considered in the consolidated financial statements, comprising;

a) total assets as at 31st March 2020, total Revenues and net cash inflow for the year ended on that date of Rs. Nil in respect of one subsidiary whose financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

b) total assets of Rs. 11,702.17 lakhs as at 31st March 2020, total revenue of Rs. 20,762.91 lakhs and net cash inflow of Rs. 1,043.03 lakhs for the year ended on that date in respect of three subsidiaries located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. A firm of Chartered Accountants have audited these conversion adjustments made by the Parent's Management and issued their Independent Fit-For-Consolidation Report ("FFC") thereon. Our opinion in so far as it relates to the amounts and disclosures in respect of these subsidiaries located outside India and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of other auditors and FFC Reports for the conversion adjustments made by the management of the Parent.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2020 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

Except:

Managing Director's appointment including remuneration is subject to the approval of the Members of the Company at the ensuing Annual General Meeting of the company.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 28 to the Consolidated financial statements,

ii) The Group 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 Parent and its subsidiary company incorporated in.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

Manoj H. Dama

Partner

(Membership No. 107723)

UDIN: 20107723AAAAIW4550

Place: Mumbai

Date: 04thAugust, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of Bharat Serums and Vaccines Limited (hereinafter referred as "Parent") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company which is a company incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company, which is a company incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company which is a company incorporated in India.

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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditor referred to in the Other Matter paragraph below, the Parent and its subsidiary company, which is a company incorporated in India, have, 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, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies 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 DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

Manoj H. Dama

Partner

(Membership No. 107723)

UDIN: 20107723AAAAIW4550

Place: Mumbai

Date: 04thAugust, 2020

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company which is a company incorporated in India, is based solely on the corresponding reports of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

CONSOLIDATED BALANCE SHEET

As at 31 March, 2020

(Currency : Indian rupees in Lakhs)

		Note No.	March 31, 2020	March 31, 2019
I	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	3	**13,930.79**	18,518.80
	(b) Right-of-Use Assets	3A	**1,579.83**	-
	(c) Capital work in progress	3	**1,122.73**	739.04
	(d) Biological assets other than bearer plants	4	**63.66**	79.41
	(e) Intangible assets	5	**3,385.46**	6,473.16
	(f) Intangible assets under development	5	**78.75**	779.88
	(g) Financial assets			
	(i) Loans	6A	**915.47**	913.02
	(ii) Other financial assets	7A	**468.14**	118.98
	(h) Deferred tax assets	8C	**172.13**	651.85
	(i) Income tax assets (net)	8D	**1,653.75**	341.52
	(j) Other non - current assets	9A	**482.04**	568.92
	Total non-current assets		**23,852.75**	29,184.58
2	**Current assets**			
	(a) Inventories	10	**22,055.95**	17,015.68
	(b) Financial assets			
	(i) Trade receivables	11	**15,213.58**	16,165.42
	(ii) Cash and cash equivalents	12	**7,654.45**	2,118.78
	(iii) Bank balances other than (ii) above	12A	**94.59**	381.66
	(iv) Loans	6B	**1,020.08**	1,373.35
	(v) Other financial assets	7B	**71.65**	28.10
	(c) Other current assets	9B	**4,676.26**	4,338.54
	Total current assets		**50,786.56**	41,421.53
	Total Assets		**74,639.31**	70,606.11
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	13.1	**901.11**	941.97
	(b) Convertible cumulative preference shares	13.2	**140.99**	100.13
	(c) Other equity	13A	**51,750.70**	47,894.68
	Total Equity		**52,792.80**	48,936.78
2	**Liabilities**			
2a	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	14A	**919.99**	2,496.94

CONSOLIDATED BALANCE SHEET

As at 31 March, 2020 (CONTINUED)

(Currency : Indian rupees in Lakhs)

		Note No.	March 31, 2020	March 31, 2019
	(ii) Lease Liability		**986.06**	-
	(b) Other non - current liabilities	16A	**405.96**	528.61
	(c) Provisions	17A	**2,605.53**	2,012.02
	(d) Deferred tax liabilities (Net)	8C	**146.44**	-
	Total non-current liabilities		**5,063.98**	5,037.57
2b	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	14B	**1,707.71**	1,635.92
	(ii) Lease Liability		**576.65**	-
	(iii) Trade payables	18		
	- Total outstanding dues of micro enterprises and small enterprises		**39.29**	43.38
	- Total outstanding dues other than micro enterprises and small enterprises		**7,770.92**	6,993.40
	(iv) Other financial liabilities	**15B**	**3,347.08**	4,866.53
	(b) Other current liabilities	**16B**	**1,815.46**	1,098.52
	(c) Provisions	**17B**	**1,504.57**	1,705.90
	(d) Current tax liabilities (Net)	**8D**	**20.85**	288.11
	Total current liabilities		**16,782.53**	16,631.76
	Total Equity and Liabilities		**74,639.31**	70,606.11

The accompanying notes are an integral part of these financial statements. '1-43

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner
Place: Mumbai
Date: 04th August, 2020

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN :U24230MH1971PLC015134

Pankaj Patwari
Director
DIN : 08206620

Sanjiv H Navangul
Managing Director and CEO
DIN : 02924640

Chirag Mehta
Chief Financial Officer

Charudatta S Samant
Company Secretary
Membership No: A22337

Place: Mumbai
Date: 04th August, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2020

(Currency : Indian rupees in Lakhs)

		Note No.	March 31, 2020	March 31, 2019
1	**Income**			
	(a) Revenue from Operations	19	**89,658.51**	87,866.94
	(b) Other Income	20	**2,042.56**	615.14
	Total Income		**91,701.07**	88,482.08
2	**Expenses**			
	(a) Cost of materials consumed	21	**24,890.98**	21,417.08
	(b) Purchases of stock-in-trade	22	**9,463.34**	9,709.73
	(c) Changes in inventories of finished goods, stock-in-trade and work-in progress	23	**(3,589.66)**	(2,329.76)
	(d) Employee benefits expense	24	**18,650.20**	15,631.34
	(e) Other expenses	25	**29,956.03**	25,397.33
	Total expenses		**79,370.89**	69,825.72
3	**Earnings before interest, tax, depreciation, amortisation (EBITDA)(1 - 2)**		**12,330.18**	18,656.36
	(a) Finance costs	26	**778.41**	946.89
	(b) Depreciation,impairment and amortisation expense	27	**4,132.85**	2,646.21
4	**Profit before tax**		**7,418.92**	15,063.26
5	**Tax expense**	8		
	Current tax		**1,515.37**	3,240.09
	Deferred tax (net)		**851.71**	1,447.26
	Deferred tax pertaining to earlier years		**(111.91)**	-
	Total tax expenses		**2,255.17**	4,687.35
6	**Profit for the year**		**5,163.75**	10,375.91
7	**Other comprehensive income**			
	(i) Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of defined benefit plans	24A	**(286.25)**	83.11
	(b) Income Tax on remeasurement of defined benefit plans	8A	**95.28**	(28.76)
	(ii) Items that will be reclassified to profit or loss			
	(a) Foreign Currency Translation difference of Foreign operations		**(802.54)**	381.05

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2020 (CONTINUED)

(Currency : Indian rupees in Lakhs)

		Note No.	March 31, 2020	March 31, 2019
	Other Comprehensive Income for the year, net of income tax		**(993.51)**	435.40
8	**Total Comprehensive Income for the year (6) + (7)**		**4,170.24**	10,811.31
9	**Earnings per equity share (in Rupees) : Face value of Rs. 5 each :**			
	Basic	32	**24.78**	50.03
	Diluted		**24.78**	50.03

The accompanying notes are an integral part of these financial statements. '1-43

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner
Place: Mumbai
Date: 04th August, 2020

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN :U24230MH1971PLC015134

Pankaj Patwari
Director
DIN : 08206620

Sanjiv H Navangul
Managing Director and CEO
DIN : 02924640

Chirag Mehta
Chief Financial Officer

Charudatta S Samant
Company Secretary
Membership No: A22337

Place: Mumbai
Date: 04th August, 2020

CONSOLIDATED STATEMENT OF CASH FLOW

As at 31 March, 2020

(Currency : Indian rupees in Lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit before tax	**7,418.92**	15,063.26
Adjustments for:		
Depreciation and amortisation	**4,132.85**	2,646.21
Profit on sale of property plant and equipment	**(837.26)**	(9.55)
Intangibles under development written off	**566.89**	-
Impairment of Intangible assets	**1,104.66**	-
Biological assets written off	**19.39**	7.37
Sundry balances written off	**16.53**	422.97
Bad debts written off	**274.40**	-
Provision for doubtful debts	**216.17**	240.00
Provision for doubtful advance and deposits	**67.99**	165.33
Sundry balances written back	**(26.07)**	(35.78)
Unrealized foreign exchange gain/(loss) on revaluation (net)	**(474.58)**	274.13
Finance Costs	**778.41**	946.89
Interest income	**(192.43)**	(106.01)
Operating profit before working capital changes	**13,065.87**	19,614.82
Working capital adjustments:		
Increase in trade payables	**783.81**	1,147.68
Increase in provisions	**105.95**	661.11
Increase/ (Decrease) in other financial liabilities	**(769.80)**	266.11
Increase/ (Decrease) in other liabilities	**594.20**	403.90
Increase in trade receivables	**938.90**	(1,772.50)
(Increase) in inventories	**(5,040.30)**	(2,701.20)
(Increase)/Decrease in other financial assets	**(292.80)**	36.83
(Increase)/ Decrease in Security Deposit and Loans to Employees	**383.17**	(560.70)
(Increase)/decrease in other assets	**(360.10)**	(378.40)
Cash generated from operations	**9,408.90**	16,717.65
Income taxes paid (net of refunds)	**(3,103.69)**	(3,282.44)
Net cash flow generated from operating activities (A)	**6,305.21**	13,435.21
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1,505.61)**	(1,898.07)
Proceeds from sale of property, plant and equipment	**4,743.88**	87.73
Redemption of bank deposits having maturity of more than 3 months	**287.10**	(133.90)

CONSOLIDATED STATEMENT OF CASH FLOW

As at 31 March, 2020 (CONTINUED)

(Currency : Indian rupees in Lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Inter-corporate deposits received back	68.40	2.00
Interest received	226.98	118.98
Net cash flow generated from/(used in) investing activities (B)	3,820.75	(1,823.26)
Cash flows from financing activities		
Repayment of long-term borrowings	(1,853.07)	(2,115.17)
Repayment of short-term borrowings (net)	61.90	(7,281.20)
Redemption of Non-Convertible Non-Redeemable Preference Shares	(207.97)	-
Repayment of lease liabilities	(679.24)	-
Buyback of equity shares (including buyback taxes)	(15,477.55)	-
Issue of Compulsory Convertible Preference Shares	15,477.55	-
Finance Cost Paid	(785.61)	(962.18)
Dividend paid (and related dividend distribution tax)	(314.21)	(625.02)
Net cash flow used in financing activities (C)	(3,778.20)	(10,983.57)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	6,347.76	628.38
Cash and cash equivalents at the beginning of the year	2,118.78	1,121.33
Net effect of exchange gain / (loss) on cash and cash equivalent	(812.09)	369.07
Cash and cash equivalents at the end of the year	7,654.45	2,118.78
Components of cash and cash equivalents		
Cash on hand	18.31	19.29
Balances with bank:		
- in current account	7,636.14	1,599.49
- Term deposit with Original maturity less than 3 months	-	500.00
Total cash and cash equivalents (Refer Note :12)	7,654.45	2,118.78
Borrowings - Non-Current (Refer Note 14A)		
- Opening Balance (including Current Portion of Long term Borrowings)	4,156.30	5,856.74
- Cash Flow	(1,853.07)	(2,071.14)
- Finance Lease Obligation	(399.67)	-

CONSOLIDATED STATEMENT OF CASH FLOW

As at 31 March, 2020 (CONTINUED)

(Currency : Indian rupees in Lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
- Non Convertible Non Cumulative redeemable preference shares	**(207.97)**	(207.97)
- Unrealised loss on foreign currency Borrowings	**280.63**	162.73
- Closing Balance	**1,976.22**	4,156.30
Borrowings - Current (Refer Note 14B)		
- Opening Balance	**1,635.92**	8,931.43
- Cash Flow	**61.90**	(7,325.23)
- Unrealised loss on foreign currency Borrowings	**9.89**	29.72
- Closing Balance	**1,707.71**	1,635.92

Note:

1) The Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (IND AS 7) Statement of cash flows prescribed in Companies (Accounting Standards) Rules, 2006, which continue to apply under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

2) Purchase of Property,Plant and Equipment includes movements of capital work in progress (including capital advances)

The accompanying notes are an integral part of these financial statements. 1-43

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner
Place: Mumbai
Date: 04th August, 2020

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN :U24230MH1971PLC015134

Pankaj Patwari
Director
DIN : 08206620

Sanjiv H Navangul
Managing Director and CEO
DIN : 02924640

Chirag Mehta
Chief Financial Officer

Charudatta S Samant
Company Secretary
Membership No: A22337

Place: Mumbai
Date: 04th August, 2020

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

(Currency : Indian rupees in Lakhs)

		As at 31 March 2020		As at 31 March 2019	
		Numbers	**Amount**	**Numbers**	**Amount**
A	**Equity share capital**				
	Balance at the beginning of the reporting period	**1,88,39,234**	**941.97**	1,87,35,013	936.76
	Changes in equity share capital during the year (Refer Note 13.1)	**(817,197)**	**(40.86)**	104,221	5.21
	Balance at the end of the reporting period	**1,80,22,037**	**901.11**	1,88,39,234	941.97

		"As at 31 March 2020"		"As at 31 March 2019"	
		Numbers	**Amount**	Numbers	Amount
B	**Convertible cumulative preference shares**				
	Balance at the beginning of the reporting period	**20,02,507**	**100.13**	20,02,507	100.13
	Changes in preference share capital during the year (Refer Note 13.2)	**8,17,197**	**40.86**	-	-
	Balance at the end of the reporting period	**28,19,704**	**140.99**	20,02,507	100.13

		Reserves and Surplus						Items of OCI	
		Capital Reserve	**Capital Redemption Reserve**	**Securities Premium Reserve**	**General Reserves**	**Deemed Capital Contribution**	**Retained Earnings**	**Foreign currency translation reserve**	**Total Other Equity**
C	**Other equity**								
	Balance as at 31 March 2018	(2,554.81)	48.05	10,572.19	5,648.27	-	22,929.02	285.14	36,927.86
	Profit for the year	-	-	-	-	-	10,375.91	-	10,375.91
	Other comprehensive income, net of tax	-	-	-	-	-	54.35	-	54.35
	Total Comprehensive Income for the year	-	-		-	-	10,430.26	-	10,430.26
	Dividend on Equity Shares	-	-	-	-	-	(468.38)	-	(468.38)

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020 (CONTINUED)

	Reserves and Surplus						Items of OCI	
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Deemed Capital Contribution	Retained Earnings	Foreign currency translation reserve	Total Other Equity
Dividend on preference shares	-	-	-	-	-	(50.07)	-	(50.07)
Dividend distribution tax on equity shares	-	-	-	-	-	(96.30)	-	(96.30)
Dividend distribution tax on preference shares	-	-	-	-	-	(10.27)	-	(10.27)
Equity Component of compound financial instrument	-	-	-	-	780.53	-	-	780.53
Effect of foreign exchange rate variations for current year	-	-	-	-	-	-	381.05	381.05
Transfer to General Reserve	-	-	-	403.00	-	(403.00)	-	-
Balance as at 31 March 2019	**(2,554.81)**	**48.05**	**10,572.19**	**6,051.27**	**780.53**	**32,331.26**	**666.19**	**47,894.68**
Profit for the year	-	-	-	-	-	5,163.75	-	5,163.75
Other comprehensive income, net of tax	-	-	-	-	-	(190.97)	-	(190.97)
Total Comprehensive Income for the year	-	-	-	-	-	4,972.78	-	4,972.78
Dividend on Equity Shares	-	-	-	-	-	(235.49)	-	(235.49)
Dividend on Preference Shares	-	-	-	-	-	(25.14)	-	(25.14)
Dividend distribution tax on equity shares	-	-	-	-	-	(48.41)	-	(48.41)
Dividend distribution tax on Preference shares	-	-	-	-	-	5.17	-	5.17

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020 (CONTINUED)

	Reserves and Surplus						Items of OCI	
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Deemed Capital Contribution	Retained Earnings	Foreign currency translation reserve	Total Other Equity
Issue of Compulsory Convertible Preference Shares (Refer note 13.2.b)	-	-	15,436.69	-	-	-	-	15,436.69
Buyback of equity shares (Refer note 13.2.a)	-	-	(12,512.31)	-	-	-	-	(12,512.31)
Tax on Buyback (Refer note 13.2.a)	-	-	-	-	-	(2,924.39)	-	(2,924.39)
Transfer to Capital Redemption Reserve (Refer Note 13.2.a and 13.2.d)	-	1,029.36	-	(1,029.36)	-	-	-	-
Effect of foreign exchange rate variations for current year	-	-	-	-	-	-	(802.54)	(802.54)
Balance as at 31 March 2020	**(2,554.81)**	**1,077.41**	**13,496.57**	**5,021.91**	**780.53**	**34,065.44**	**(136.35)**	**51,750.70**

The Description of the nature and purpose of each reserve within equity:

Capital Reserve: Capital reserve represents excess of purchase consideration paid to acquire net asset of Kasiak Research Private Limited in the scheme of merger.

Deemed Capital Contribution: The component parts of compound financial instruments issued by the Parent Company are classified as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument. Financial liabilities are recognised initially at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using effective interest method.

Capital Redemption Reserve: Capital redemption reserve represents reserve created through transfer from general reserve to capital redemption reserve in compliance with buy back of shares and redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares.During the year, Parent Company has transferred Rs 988.50 lakhs towards redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares and Rs 40.86 lakhs in compliance with buy back of equity shares.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020 (CONTINUED)

Security premium reserves: Security premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of companies Act, 2013.

Addition during the year is on account issuse of CCPS and it is utilised for buyback of equity shares

General Reserve: The Parent Company has transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.During the year, Parent Company has transferred to Capital Redemption Reserve Rs 988.50 lakhs towards redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares and Rs 40.86 lakhs in compliance with buy back of equity shares.

Foreign Currency Translation Reserve: This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

Retained Earnings: Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends paid to shareholders

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner
Place: Mumbai
Date: 04th August, 2020

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN :U24230MH1971PLC015134

Pankaj Patwari
Director
DIN : 08206620

Sanjiv H Navangul
Managing Director and CEO
DIN : 02924640

Chirag Mehta
Chief Financial Officer

Charudatta S Samant
Company Secretary
Membership No: A22337

Place: Mumbai
Date: 04th August, 2020

BHARAT SERUMS AND VACCINES LIMITED

Notes to the Consolidated IND AS Financial Statements for the year ended 31 March 2020

1) GENERAL INFORMATION

Bharat Serums and Vaccines Limited ('the Company') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the company is located at 17th Floor, Hoechst House, Nariman Point, Mumbai 400021.

The Company and its subsidiaries (collectively referred to as 'the Group') engaged in the business of research, development, manufacturing, marketing and sales of biological and pharmaceutical products in India and overseas market.These consolidated financial statements relate to the financial statements of Bharat Serums and Vaccines Limited ("the Company" or "the parent"),its subsidiaries (hereinafter collectively referred to as the "Group") as listed below:

Name of Subsidiaries	Principal place of business	% of Share holding	
		March 2020	March 2019
BSV Bio Science GMBH	Germany	100	100
BSV Bio Science INC	USA	100	100
BSV Bio Science Philippines	Philippines	100	100
BSVLife Pvt Ltd (Formerly known as Eurolife Reagen Private Ltd)	India	100	100

2) BASIS OF PREPARATION OF CONSOLIDATED IND AS FINANCIAL STATEMENTS ("FINANCIAL STATEMENTS")

a) Statement of compliance

The financial statements of the Group as at and for the year ended 31 March, 2020 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.

The Financial statements are prepared in Indian rupees rounded off to the nearest lakhs except for share data and per share data, unless otherwise stated.

Basis of preparation and presentation

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2B. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Group presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

i) Expected to be realised or intended to sold or consumed in normal operating cycle,

ii) Held primarily for the purpose of trading,

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

i) it is expected to be settled in normal operating cycle,

ii) it is held primarily for the purpose of trading,

iii) it is due to be settled within twelve months after the reporting period

iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as noncurrent. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Basis of measurement

These financial statements are prepared under historical cost convention unless otherwise indicated, except for asset held for sale and Biological asset – measured at fair value less cost of sell.

Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Parent Company and the currency of the primary economic environment in which the Parent Company operates.

Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Company and the entities it controls.

(a) Accounting for Subsidiaries

A subsidiary is an entity over which the Group has control. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statement from the date on which control commences until the date on which control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and profits/losses, unless cost/revenue cannot be recovered.

(b) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable asset at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interest is presented separately from the liabilities or assets and the equity of the shareholders in the consolidated Balance Sheet. Non-controlling interest in the profit or loss of the Group is separately presented.

(c) Loss of control

When the Group losses control over a subsidiary, it derecognises the asset and liabilities of the subsidiary, any related NCI and other component of equity. Any interest retained in the form of subsidiary is measured at fair value at the date control is lost. Any resulting gain or loss is recognised in profit or loss.

(d) Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Property, plant and equipment ("PPE")

I) Recognition and Measurement

i) Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.

ii) 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.

iii) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised

iv) Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non-current assets.

II) **Subsequent expenditure**

Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

III) **Depreciation and Amortisation:**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed under Schedule II to the Act or as per technical assessment. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which is asset is ready to use / (disposed of). Freehold land is not depreciated.

Tangible Assets	Useful Life
Leasehold Land	Amortized over the period of Lease
Buildings	5 years to 60 years
Plant and Machinery/ factory equipment/ Laboratory equipment	8 years to 20 years
Computers and Accessories	3 years
Electrical Installations	10 years
Furniture and Fixtures	10 to 15 years
Vehicles	8 years
Office Equipment's	5 years

Leasehold improvements are amortized over the useful life of assets or the lease term, whichever is lower.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

b) **Intangible Assets:**

I) **Recognition and measurement**

Research and Development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets, such as computer software and trademarks and patents, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

II) **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred

III) **Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

The estimated useful lives for current and comparative periods are as follows

Assets	Useful Life
Patents and technical know-how	10 Years
Computer software	05 Years

c) **Leases**

Implementation of Ind AS 116 Leases

The Group has applied Ind AS 116 'Leases' with effect from April 1, 2019. Ind AS 116 introduces new requirements for the definition of a lease, lessee accounting and lessor accounting as well as a number of new disclosures. In general, all leases within the scope of Ind AS 116 are required to be brought on to the balance sheet by lessees, recognising a 'right-of-use' asset and a related lease liability at the commencement of the lease. Ind AS 116 establishes a control model for the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. The Group has adopted Ind AS 116 applying the same to the lease contracts existing on April 1, 2019 using the modified retrospective approach, and accordingly prior year results have not been restated. For all the leases, the right of use asset was set equal to the lease liability at April 1, 2019, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before April 1, 2019. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019.

The Group recognises right of use assets under lease arrangements in which it is the lessee. Rights to use assets owned by third parties under lease agreements are capitalised at the inception of the lease and recognised on the balance sheet. The corresponding liability to the lessor is recognised as a lease obligation. The carrying amount is subsequently increased to reflect interest on the lease liability and reduced by lease payments made. For calculating the discounted lease liability, the lessee's incremental borrowing rate is used. The incremental borrowing rate is calculated at the rate of interest at which the Group would have been able to borrow for a similar term and with a similar security the funds necessary to obtain a similar asset in a similar market.

Finance costs are charged to the income statement so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Variable rents are not part of the lease liability and the right of use asset. These payments are charged to the income statement as incurred. If modifications or reassessments occur, the lease liability and right of use asset are re-measured. Right of use assets are depreciated over the shorter of the useful life of the asset or the lease term.

The presentation of the lease payments in the cash flow statement has changed, resulting in an increase to the net cash inflow from operating activities, and hence free cash flow, and a corresponding increase in the net cash outflow from financing items (split between interest paid and repayment of lease liabilities).

d) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its assets 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 are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating units ("CGU"). The recoverable amount of an asset or CGU is the greater 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 asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e) Government grants and subsidies

Grants related to depreciable assets are treated as deferred income which is recognised in the Statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. Government Grants of revenue nature is reduced from related expenses in the statement of Profit and Loss in the year of its receipt or when there is a reasonable assurance of its being received.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

f) Financial instruments

Recognition initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI -debt investment;
- FVOCI -equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset 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.

  On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

  All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated -e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers not retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

g) Equity instruments

Equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

h) Borrowing costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred.

i) **Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

j) **Inventories**

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realisable value.

Raw materials, stock-in-trade and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, stock-in-trade, stores and spares and loose tools is determined on a weighted average cost method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

k) **Revenue recognition**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of goods

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, net of returns and allowances, trade discounts and volume rebates and excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and the receivable is recognized when it becomes unconditional.

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable and are also netted off for probable saleable and non-saleable return of goods from the customers, estimated on the basis of historical data of such returns.

Income from Services

The Group provides manufacturing and diagnostic services to other companies and customers. The income from these services is recognised when the same is performed and accepted by the other party on the basis of invoices.

Revenue from rendering of services is recognised over time where the Group satisfies the performance obligation over time or point in time where the Group satisfies the performance obligation at a point in time.

Contract Balances

Trade receivables: a receivable represents the Group's right to an amount of consideration that is unconditional.

Deferred Income: Income received where in the performance obligation is not satisfied. They are classified as contract liabilities and disclosed as Deferred Income.

Advance from customers: when a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised and disclosed as advances from customers.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Export Incentive

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

l) Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- equity investments measured at fair value through other comprehensive income (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Foreign operations:

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are translated at the average exchange rates for the period. Resulting foreign currency differences are recognised in other comprehensive income / (loss) and presented within equity as part of Foreign Currency Translation Reserve. When a foreign operation is disposed off, the relevant amount in the Foreign Currency Translation Reserve is reclassified to profit or loss.

m) Retirement and other employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The Group's gratuity benefit scheme is defined benefit plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Group's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the Other Comprehensive Income. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated Absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

n) Income taxes

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 offset 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.

Minimum Alternate Tax (MAT) under the provision of Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is reasonable evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence, it is presented as Deferred Tax Asset.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets- unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

o) Segment reporting

Identification of segments

The Group is operating only one business segment "pharmaceutical" as its primary segment. The analysis of geographical segments is based on the revenue generating locations. The geographical segment information of the Group is categorized under domestic sales and export sales.

p) Earnings Per Share

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

q) Provisions, contingent liabilities and contingent assets:

A provision is recognised if as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount can not be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

r) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank including fixed deposits (having original maturity of less than 3 months), cheques in hand and cash in hand.

s) Measurement of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

The Group has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization, finance costs and tax expense.

2B) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the Ind AS requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Group's disclosure of significant accounting policies which are provided in Note 2A to the Consolidated financial statements, 'Significant accounting policies'.

a. Estimate of current and deferred tax

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Group's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Group operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments.

b. Recognition of MAT credit entitlement

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Group.

c. Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

d. Estimation of useful life

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset based on its technical expertise. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

e. Provisions and contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

f. Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for the financial reporting purposes. Central corporate treasury team works with various banks for determining appropriate fair value of derivative assets and liabilities. Central treasury team reports to the Chief Financial Officer. In estimating the fair value of derivative assets and liabilities, the Group uses market-observable data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note.

g. Defined Benefit Plans:

The cost of the defined benefit gratuity plan and other post-employment benefits and present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

h. Impairment of assets:

The Company reviews the carrying amounts of its property, plant and equipment, capital work in progress and intangible assets, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires company to estimate the Fair value less cost of disposal.

i. Provision for anticipated sales return:

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on scientific basis after factoring in the historical data of such returns and its trend.

j. Biological Assets

Management uses inputs relating to production and market prices in determining the fair value biological assets.

3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

(Currency : Indian rupees in Lakhs)

Particulars	Freehold Land	Leasehold Land	Building	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Leasehold Improv-ements	Total
At deemed cost/cost									
Balance as at 31 March 2018	232.94	198.31	6,673.15	9,531.80	338.73	391.15	230.76	568.34	18,165.18
Additions	-	-	1,373.27	3,994.77	204.15	69.25	227.93	1.57	5,870.94
Disposals	-	-	-	129.21	3.88	0.36	142.60	-	276.05
Foreign Currency Translation adjustments	(3.89)	-	**(85.92)**	**(76.03)**	**(0.08)**	**(0.87)**	-	**0.05**	**(166.74)**
Balance as at 31 March 2019	**229.05**	**198.31**	**7,960.50**	**13,321.33**	**538.92**	**459.17**	**316.09**	**569.96**	**23,593.33**
Additions	-	-	35.19	703.90	22.36	62.19	15.20	1.98	840.82
Disposals	132.66	-	4,214.94	-	-	-	199.80	-	4,547.40
Reclassification under Ind AS 116	-	(198.31)	-	(842.37)	(72.28)	(26.10)	-	(567.41)	(1,706.47)
Foreign Currency Translation adjustments	6.32	-	140.12	123.00	8.37	4.09	-	0.45	282.35
Balance as at 31 March 2020	**102.71**	-	**3,920.87**	**13,319.10**	**492.78**	**499.22**	**122.43**	**4.96**	**18,462.07**
Depreciation									
Balance as at 31 March 2018	-	**4.81**	**736.19**	**2,526.74**	**110.55**	**208.53**	**61.66**	**305.30**	**3,953.78**
Depreciation expense	-	2.40	266.71	808.70	46.77	77.09	31.62	150.40	1,383.69
Disposals	-	-	-	118.16	3.70	0.36	75.70	-	197.92
Foreign currency translation reserve	-	-	(27.92)	(36.46)	(0.38)	(0.30)	-	0.04	(65.02)
Balance as at 31 March 2019	-	**7.21**	**974.98**	**3,180.82**	**153.24**	**284.96**	**17.58**	**455.74**	**5,074.53**
Depreciation expense	-	-	**231.94**	**934.28**	**41.39**	**78.32**	**36.76**	**0.33**	**1,323.02**
Disposals	-	-	**(583.45)**	-	-	-	**(53.04)**	-	**(636.49)**
Reclassification under Ind AS 116	-	(7.21)	-	(826.60)	(42.84)	(21.89)	-	(452.97)	(1,351.51)
Foreign currency translation reserve	-	-	49.29	68.74	1.45	1.94	-	0.31	121.73
Balance as at 31 March 2020	-	-	**672.76**	**3,357.24**	**153.24**	**343.33**	**1.30**	**3.41**	**4,531.28**
Balance as at 31 March 2019	229.05	191.10	6,985.52	10,140.51	385.68	174.21	298.51	114.22	18,518.80
Balance as at 31 March 2020	**102.71**	-	**3,248.11**	**9,961.86**	**339.54**	**155.89**	**121.13**	**1.55**	**13,930.79**
Capital work-in-progress									
Balance as at 31 March 2019	-	-	352.58	371.41	13.61	1.44	-	-	739.04
Balance as at 31 March 2020	-	-	925.48	195.50	1.01	0.74	-	-	1,122.73

PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS (CONTINUED)

3.1 The Group has exercised the exemption/option given under para D13AA of Ind AS 101- First-time Adoption of Indian Accounting Standards, as per this option the Group will continue the policy of recognising the exchange differences on long term foreign currency monetary items as per paragraph 46/46A of AS 11 and as per this the amount of such exchange (gain) / loss for the financial year ended 31 March 2020 aggregating Nil (31 March 2019 aggregating Rs.16.06 lakhs) has been capitalised to the specifically identifiable asset.

3.2 Refer note 14 on borrowings, for the details related to charge on Property, plant and equipment of the Group.

3.3 Capital work in progress comprises expenditure in respect of various plants in the course of construction. Total amount of Capital work in progress is Rs 1122.73 lakhs as at 31 March 2020 (31 March 2019: Rs 739.04 lakhs). This amount also includes capitalised borrowing costs related to the construction of various plants of Rs.35.64 lakhs (For the year ended 31 March 2019: Rs 12.69 lakhs).

3.4 For Research & Development addition, refer note 31.

3A RIGHT-OF-USE ASSETS

(Currency : Indian rupees in Lakhs)

Particulars	Leasehold Land	Building	Plant & Equipment	Furniture and fixtures	Office Equipment	Leasehold Improvements	Total
Balance as on 01st April, 2019	**198.31**	**-**	**842.37**	**72.28**	**26.10**	**567.41**	**1,706.47**
Additions	-	1,726.62	-	-	-	-	1,726.62
Disposals	(0.38)	-	-	-		-	(0.38)
Foreign Currency Translation adjustments	-	5.40	-	-	-	-	5.40
Balance as at 31 March 2020	**197.93**	**1,732.02**	**842.37**	**72.28**	**26.10**	**567.41**	**3,438.11**
Depreciation							
Balance as on 01st April, 2019	**7.21**	**-**	**826.60**	**42.84**	**21.89**	**452.97**	**1,351.51**
Depreciation expense	2.40	400.84	11.83	17.14	2.91	68.80	503.92
Disposals	-	-	-	-	-	-	-
Foreign Currency Translation adjustments	-	2.85	-	-	-	-	2.85
Balance as at 31 March 2020	**9.61**	**403.69**	**838.43**	**59.98**	**24.80**	**521.77**	**1,858.28**
Net book value							
Balance as at 31 March 2019	**191.10**	**-**	**15.77**	**29.44**	**4.21**	**114.44**	**354.96**
Balance as at 31 March 2020	**188.32**	**1,328.33**	**3.94**	**12.30**	**1.30**	**45.64**	**1,579.83**

3A.1 "Effective 1st April 2019, the Group adopted Ind AS 116 ""Leases"", using modified retrospective approach. Accordingly, the comparatives have not been retrospectively adjusted. Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease. On transition, The Group has recognised new assets and liabilities for its operating leases of premises and other assets."

4 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

(Currency : Indian rupees in Lakhs)

Particulars	Quantity	Amount
Balance as at 31 March 2018	**666**	**77.35**
Purchases	103	15.85
Disposals	(96)	(7.80)
Change in fair value less cost to sell	-	(5.99)
Balance as at 31 March 2019	**673**	**79.41**
Purchases	75	9.65
Disposals	(215)	(19.39)
Change in fair value less cost to sell	-	(6.01)
Balance as at 31 March 2020	**533**	**63.66**

Notes

4.1 Measurement of Fair value

The Group's biological assets comprises of livestocks (ponies). Livestock is measured at fair value less costs to sell, with any resulting gain or loss recognized in the statement of profit and loss.

i) Fair Value hierarchy

The fair value measurements for livestocks has been categorised as Level 3 fair values based on the inputs to valuation technique used.

ii) Level 3 Fair values

The following table shows a break down of the total losses recognised in respect of Level 3 fair values-

Particulars	31-Mar-20	31-Mar-19
Loss included in statement of profit and loss	**19.39**	**7.80**

iii) Valuation techniques and significant unobservable inputss

The following table shows a break down of the total losses recognised in respect of Level 3 fair values-

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement / Sensitivity analysis
Livestock's (ponies)	Cost approach and expected depletion in value	Estimated feeding cost/ producing ponies	Estimated feeding cost/ producing ponies increase by 1% would reduce the fair valuation by Rs 0.06 lakhs and Rs 0.06 lakhs as of 31 March 2020 and 2019 respectively.
		Discount rate	Discount rate increase by 1 % would reduce the fair valuation by Rs 0.96 lakhs and Rs 0.84 lakhs as of 31 March 2020 and 2019 respectively.

4.2 Risk Management strategies related to its activities

The Company is exposed to the following risks relating to its activities:

i) Regulatory and environmental risks

The Group is subject to various local laws and regulations, and it has established policies and procedures aimed at ensuring compliance with the same.

ii) Supply and demand risks

The Group is exposed to risks arising from fluctuations in the price and volume of plasma.

iii) Climate and other risks

The Group's livestock is exposed to risk of adverse climatic conditions and diseases etc. The Group has extensive processes in place to address the risk by having an in-house veterinary doctor and dispensary, regular health checkups of livestock's.

5. INTANGIBLE ASSETS

(Currency : Indian rupees in Lakhs)

Particulars	Computer Software	Patents	Technical know-how	Total
At Deemed Cost				
Balance as at 31 March 2018	**596.41**	**59.41**	**9,137.64**	**9,793.46**
Additions	167.32	-	-	167.32
Disposals	-	-	-	-
Foreign currency translation reserve	(4.40)	-	-	(4.40)
Balance as at 31 March 2019	**759.33**	**59.41**	**9,137.64**	**9,956.38**
Additions	**308.88**	**-**	**-**	**308.88**
Disposals/De-recognitions	-	-	(1,667.41)	(1,667.41)
Foreign currency translation reserve	15.30	-	-	15.30
Balance as at 31 March 2020	**1,083.51**	**59.41**	**7,470.23**	**8,613.15**
Amortisation				
Balance as at 31 March 2018	**391.19**	**20.63**	**1,817.13**	**2,228.95**
Amortisation expense	122.75	8.23	1,125.53	1,256.51
Disposals	-	-	-	-
Foreign currency translation reserve	(2.26)	-	-	(2.26)
Balance as at 31 March 2019	**511.68**	**28.86**	**2,942.66**	**3,483.20**
Amortisation expense	110.90	8.23	875.32	994.45
Disposals/De-recognitions	-	-	562.75	562.75
Impairment loss	-	-	1,305.45	1,305.45
Foreign currency translation reserve	7.34	-	-	7.34
Balance as at 31 March 2020	**624.35**	**37.09**	**4,560.68**	**5,222.12**
Carrying Amount				
Balance as at 31 March 2019	247.64	30.55	6,194.98	6,473.17
Balance as at 31 March 2020	453.59	22.32	2,909.55	3,385.46
Intangible assets under development				
Balance as at 31 March 2019	144.16	18.08	617.64	779.88
Balance as at 31 March 2020	**9.91**	**18.08**	**50.76**	**78.75**

Notes

5.1 Intangible assets under development comprises expenditure in respect of various projects. Total amount of intangible under development is Rs.78.75 lakhs as at 31 March 2020 (Rs 779.88 lakhs as at 31 March 2019).

5.2 As a result of the Group's decision to impair few projects, projects related intangibles of Rs 1305.45 lakhs was recorded as impairment loss under depreciation,impairment and amortisation expenses and projects related intangibles of Rs 1104.66 lakhs and intangible assets under development amounting to Rs 566.89 lakhs was recorded as written off for the year ended 31 March 2020, under "other expenses" in the statement of profit and loss.

6. LOANS

(Currency : Indian rupees in Lakhs)

		As at 31 March 2020	As at 31 March 2019
6A	**Non-current**		
	(Unsecured, Considered Good, unless otherwise stated)		
	Loans to employees	7.98	27.07
	Security Deposits	907.49	885.95
	Non-current total	915.47	913.02
6B	**Current**		
	(Unsecured, Considered Good, unless otherwise stated)		
	Inter-corporate deposits (refer note 6.1 below)- Secured	828.60	897.00
	Security Deposits		
	- Considered good	178.82	459.19
	- Considered doubtful	407.00	347.00
	Less : Provision for doubtful deposits	(407.00)	(347.00)
	Loans to employees	12.66	17.16
	Current total	1,020.08	1,373.35
	Total	1,935.55	2,286.37

Notes

6.1 Secured by pledge of shares and personal guarantee by all directors in those companies and are given for business purposes.

7. OTHER FINANCIAL ASSETS

		As at 31 March 2020	As at 31 March 2019
7A	**Non-current**		
	(Unsecured, Considered Good unless otherwise stated)		
	"Margin money deposits with maturity beyond 12 months (Refer note 7.1 below)"	468.14	118.98
	Non-current total	468.14	118.98
7B	**Current**		
	(Unsecured, Considered Good unless otherwise stated)		
	Interest on Deposits, accrued but not due	71.65	28.10
	Current total	71.65	28.10
	Total	539.79	147.08

Notes

7.1 Margin money deposits of Rs 468.14 lakhs (31 March 2019: Rs 118.98 lakhs) are under lien with the government tender.

8. INCOME TAXES

(Currency : Indian rupees in Lakhs)

(A) Components of Income Tax Expenses

(i) Amounts recognised in profit and loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax:		
Current year tax	1,515.37	3,240.09
	1,515.37	3,240.09
Deferred tax:		
Current year deferred tax		
Minimum Alternative Tax (MAT) credit entitlement	2,555.44	1,363.36
Origination and reversal of temporary differences	(1,815.64)	83.90
	739.80	1,447.26
Tax expense for the year	2,255.17	4,687.35

(ii) Amounts recognised in other comprehensive income

	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax (expenses)/ benefit	Net of tax	Before tax	Tax (expenses)/ benefit	Net of tax
Items that will not be reclassified to profit or loss – Remeasurements of the defined benefit plan	(286.25)	95.28	(190.97)	83.11	(28.76)	54.35

B. Reconciliation of effective tax rate

Particulars	%	For the year ended 31 March 2020	%	For the year ended 31 March 2019
Profit before tax		7,418.92		15,063.26
Tax using the Company's statutory tax rate	34.94%	2,592.17	34.94%	5,263.10
Increase in tax rate				
Tax effect of:				
Additional allowances under income tax in respect of Section 35(2AB)	-8.12%	(602.46)	-3.9%	(587.52)
Donation	-0.56%	(41.55)	0.6%	90.82
Professional fees expenses related to stake sale	11.78%	873.60	0.0%	-
Profit on Sale of assets	-4.15%	(307.74)	0.0%	-
Others	-3.49%	(258.85)	-0.5%	(79.05)
	30.4%	2,255.17	31.1%	4,687.35

8. INCOME TAXES (CONTINUED)

(Currency : Indian rupees in Lakhs)

(C) Movement in deferred tax assets and liabilities

For the year ended 31 March 2020

Particulars	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2020
Deferred Tax Liabilities				
Property, plant and equipment and Intangible asset	3,415.08	(1,609.57)	-	1,805.51
Expenditure covered by section 35 (2AB) of IT Act, 1961	246.12	(226.30)	-	19.82
	3,661.20	(1,835.87)	-	1,825.33
Deferred Tax Assets				
Trade Receivables	357.62	(34.73)	-	322.89
Employee benefits	838.36	(203.91)	95.28	729.73
MAT credit entitlement	2,555.44	(2,555.44)	-	-
Other provisions	561.63	64.64	-	626.27
	4,313.05	(2,729.44)	95.28	1,678.89
Tax assets (Liabilities)	651.85	(893.57)	95.28	(146.44)

For the year ended 31 March 2019

	Net balance 1 April 2018	Recognised in profit or loss*	Recognised in OCI	Net balance 31 March 2019
Deferred Tax Assets				
Unrealized foreign exchange loss	-	(5.97)	-	(5.97)
Excess of depreciation and interest over rental payments	-	0.12	-	0.12
Allowance for estimated credit loss	-	8.43	-	8.43
Provision for inventory obsolescence	-	13.13	-	13.13
Property, plant and equipment	-	(0.77)	-	(0.77)
Employee benefits	-	4.88	-	4.88
Net Operating Losses	-	152.31	-	152.31
Tax assets	-	172.13	-	172.13

* Movement during the year includes foreign currency translation difference amounting to Rs 18.36 lakhs loss for the year ended March 31, 2020

8. INCOME TAXES (CONTINUED)

(Currency : Indian rupees in Lakhs)

For the year ended 31 March 2019

	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2019
Deferred Tax Liabilities				
Property, plant and equipment and Intangible asset	3,258.77	156.31	-	3,415.08
Expenditure covered by section 35 (2AB) of IT Act, 1961	229.37	16.75	-	246.12
	3,488.14	**173.06**	**-**	**3,661.20**
Deferred Tax Assets				
Trade Receivables	215.98	141.64	-	357.62
Employee benefits	724.61	142.51	(28.76)	838.36
MAT credit entitlement	3,918.80	(1,363.36)	-	2,555.44
Other provisions	756.62	(194.99)	-	561.63
	5,616.01	**(1,274.20)**	**(28.76)**	**4,313.05**
Net tax assets	**2,127.87**	**(1,447.26)**	**(28.76)**	**651.85**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In India, in case income tax payable on book profit (that is Minimum alternate tax - 'MAT') exceeds the income tax payable on tax profit, the differential amount shall be carried forward as a MAT credit for a period of 15 years. The said MAT credit can be offset against any future income tax payable. The Group has carry forward amount of MAT of Rs.Nil as at 31 March 2020 ; Rs 2555.44 lakhs as at 31 March 2019.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets.

D. Tax assets and liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Non Current tax assets (net)	1,653.75	341.52
Current tax liabilities (net)	20.85	288.11

9. OTHER ASSETS

(Currency : Indian rupees in Lakhs)

		As at 31 March 2020	As at 31 March 2019
9A	**Non-current**		
	(Unsecured, Considered Good unless otherwise stated)		
	Capital advances		
	Considered good	7.69	57.75
	Considered doubtful	53.52	62.95
	Less: Allowance for doubtful capital advances	(53.52)	(62.95)
	Balance with statutory/ Government authorities	462.48	462.48
	Prepaid expenses	11.87	48.69
	Non-current total	482.04	568.92
9B	**Current**		
	(Unsecured, Considered Good unless otherwise stated)		
	Export entitlements receivable	606.26	561.98
	Advances to Suppliers		
	Considered good (other than related party)	1,132.53	1,011.74
	Considered doubtful	140.87	123.45
	Less: Allowance for bad and doubtful advances to suppliers	(140.87)	(123.45)
	Advance to Suppliers-related parties	45.00	3.70
	Advance to employees for expenses	167.49	155.01
	Prepaid expenses	433.05	353.86
	Balance with statutory/ Government authorities	2,255.31	2,213.64
	Other Assets	36.62	38.61
	Current total	4,676.26	4,338.54
	Total	5,158.30	4,907.46

10. INVENTORIES

(Currency : Indian rupees in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Raw Materials	**6,003.60**	4,505.18
Packing materials	**979.78**	716.11
Work-in-progress	**5,766.44**	5,088.77
Finished goods	**4,172.30**	2,769.58
Stock-in-trade	**4,556.98**	3,261.37
Stores and Spares	**569.28**	513.48
Goods-in-Transit		
- Raw Materials	**-**	161.19
- Packing Materials	**7.57**	-
Total	**22,055.95**	17,015.68

Notes

10.1 The Group follows suitable provisioning norms for writing down the value of inventories towards slow moving, non moving, expired and non saleable inventory. Write down of inventory for the year ended 31 March 2020 is Rs.804.17 lakhs (31 March 2019: Rs.203.85 lakhs).

10.2 Refer Note 14 on Borrowings, for the details related to charge on inventories lying with the Group.

11. TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
(Unsecured)		
Considered good	**15,213.58**	16,165.42
Considered doubtful	**708.02**	490.00
Less: Allowance for expected credit loss	**(708.02)**	(490.00)
	15,213.58	16,165.42

Notes

11.1 Above Trade Receivables include amount due from related parties 31 March 2020: Rs. 184.21 lakhs; (31 March 2019 Rs. 35.99 lakhs) - Refer Note 36

11.2 Refer Note 14 on Borrowings, for the details related to charge on Trade receivables.

12. CASH AND CASH EQUIVALENTS

(Currency : Indian rupees in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Cash on hand	18.31	19.29
Balances with Banks		
In current accounts	7,636.14	1,599.49
Term deposits with original maturity less than 3 months	-	500.00
	7,654.45	2,118.78

12A. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31 March 2020	As at 31 March 2019
Term deposits with maturity exceeding 3 months and less than 12 months	94.59	381.66
	94.59	381.66

Notes

12.1 Margin money deposits of Rs 94.59 lakhs (31 March 2019: Rs 381.66 lakhs) are under lien with the government tender.

13. SHARE CAPITAL

13.1 EQUITY SHARE CAPITAL

	As at 31 March 2020		As at 31 March 2019	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity shares of Rs. 5/- each	1,97,67,800	988.39	1,97,67,800	988.39
Equity shares with differential voting right of Rs. 5/- each	200	0.01	200	0.01
	1,97,68,000	988.4	1,97,68,000	988.4
Issued, subscribed and fully paid up				
Equity share capital				
Equity shares of Rs.5/- each	1,80,21,937	901.1	1,88,39,134	941.96
Equity shares with differential voting right of Rs. 5/- each	100	0.01	100	0.01
	1,80,22,037	901.11	1,88,39,234	941.97

13.2 PREFERENCE SHARE CAPITAL

(Currency : Indian rupees in Lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Numbers	Amount	Numbers	Amount
Authorised				
0.01% Compulsory Convertible preference shares of Rs. 5/- each ('CCPS')	**9,20,000**	**46.00**	9,20,000	46.00
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - I ('CCPS-I')	**7,42,000**	**37.10**	7,42,000	37.10
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - II ('CCPS-II')	**13,50,000**	**67.50**	13,50,000	67.50
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - III ('CCPS-III')	**9,20,000**	**46.00**	9,20,000	46.00
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - IV ('CCPS-IV')	**4,00,000**	**20.00**	4,00,000.00	20.00
0.01% Convertible redeemable preference shares of Rs. 5/- each ('NCNCRPS')	**1,98,00,000**	**990.00**	1,98,00,000	990.00
	2,41,32,000	**1206.60**	2,41,32,000	1,206.60
Issued, subscribed and fully paid up				
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - I ('CCPS-I')	**7,14,119**	**35.71**	7,14,119	35.71
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - II ('CCPS-II')	**10**	**-**	10	-
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - III ('CCPS-III')	**9,19,243**	**45.96**	9,19,243	45.96
0.01% Compulsory Convertible preference shares of Rs. 5/- each series - IV ('CCPS-IV')	**3,69,135**	**18.46**	3,69,135	18.46
0.01% Compulsory Convertible preference shares of Rs. 5/- each series ('CCPS')	**8,17,197.00**	**40.86**	-	-
	28,19,704	**140.99**	20,02,507	100.13

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

	As at 31 March 2020		As at 31 March 2019	
	No of shares	Amount	No of shares	Amount
Equity shares:				
At the beginning of the period	**1,88,39,234**	**941.97**	1,87,35,013	936.76
Add: Issue of shares (Refer Note 42)	**-**	**-**	1,04,221	5.21
Less: Shares extinguished on buyback	**8,17,197**	**40.86**	-	-
At the end of the period	**1,80,22,037**	**901.11**	1,88,39,234	941.97

Note : Note : The buyback was offered to all eligible equity shareholders of the Parent Company. The buyback of equity shares commenced on February 7, 2020 and was completed on February 14, 2020. During this buyback period, the Parent Company had purchased and extinguished a total of 817197 equity shares at an average buy back price of Rs 1536.1251 per equity share comprising 4.34 % of the pre-buyback paid-up equity share capital of the Parent Company. The buyback resulted in a cash outflow of Rs 15,477.55 lakhs (including buy back tax but excluding transaction costs). The Parent Company funded the buyback from its free reserves. In accordance with Section 69 of the Companies Act, 2013, the Parent Company has created a Capital Redemption Reserve' of Rs 40.86 lakhs equal to the nominal value of the above shares bought back as an appropriation from general reserve.

(Currency : Indian rupees in Lakhs)

13.2 PREFERENCE SHARE CAPITAL (CONTINUED)

(b) Reconciliation of the number of preference shares outstanding at the beginning and at the end of the period:

	As at 31 March 2020		As at 31 March 2019		
Preference shares: (Refer Note : 13 (c))	**No of shares**	**Amount**	**No of shares**	**Amount**	
CCPS - I					
At the beginning and the end of the period	7,14,119	35.71	7,14,119	35.71	
Less: Conversion of CCPS I to equity shares	-	-	-	-	
At the end of the period	7,14,119	35.71	7,14,119	35.71	
CCPS - II					
At the beginning of the period	10	0.00	10	0.00	
Less: Conversion of CCPS II to equity shares	-	-	-	-	
At the end of the period	10	0.00	10	0.00	(*)
CCPS - III					
At the beginning of the period	9,19,243	45.96	9,19,243	45.96	
Less: Conversion of CCPS III to equity shares	-	-	-	-	
At the end of the period	9,19,243	45.96	9,19,243	45.96	
CCPS - IV					
At the beginning of the period	3,69,135	18.46	3,69,135	18.46	
Less: Conversion of CCPS IV to equity shares	-	-	-	-	
At the end of the period	3,69,135	18.46	3,69,135	18.46	
CCPS					
At the beginning of the period	-	-	-	-	
Add: Fresh issue of CCPS**	8,17,197	40.86	-	-	
At the end of the period	8,17,197	40.86	-	-	

(*) Amount less than Rs 1000

** During the year, the Group allotted 817,197 Compulsory Convertible Preference Shares of Rs 5 each at an issue price of Rs 1893.9808 per share including premium of Rs 1888.9808 per share to Aksipro Diagnostic Pvt. Ltd.

Shares bought back (during 5 financial years immediately preceding 31 March 2020)

	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16
Equity Shares bought back	8,17,197	-	-	-	2,61,686

(c) Rights and terms attached to equity shares

The Group has two class of equity shares viz. Ordinary Equity Shares and Differential Voting Rights Shares (DVRS), each having par value of Rs.5 per share. The holder of ordinary equity shares is entitled to one vote per share, however, the holder of DVRS is entitled to 14,580 votes per share. The Group declares and pays dividends on shares in Indian rupees. The dividend proposed on ordinary shares by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(d) "Pursuant to the Scheme of Amalgamation approved by the Hon National Company Law Tribunal Mumbai Bench in Financial year 2018-19, 1,97,69,917 0.01% Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of Rs 5/- each were issued to the eligible shareholders without consideration otherwise would have been received in cash. After obtaining approval of such Shareholders under the terms of issue, the shares under reference have since been redeemed at a price of Rs. 1.10 per share during the financial year 2019-2020.

In accordance with the provisions of Section 55 of the Companies Act, 2013 ,the Group has created Capital Redemption Reserve of Rs 988.50 lakhs out of the profits represented by General Reserve being equivalent to the nominal value of the shares so redeemed."

The Group has two class of preference shares viz. 1. Compulsorily Convertible Cumulative Preference Shares (CCPS) Series I, Series II, Series III and Series IV and 2. Compulsorily Convertible Cumulative Preference Shares (CCPS). The brief terms for CCPS under Sr No 1, are as under:

Terms	CCPS
1. Face Value	Rs.5 per share
2. Dividend Rights	Preferential Dividend @ 0.01% coupon rate and Participatory dividend equivalent to Equity Dividend. In the event the Group does not pay the preferential dividend for any Financial Year, the same shall be cumulated and paid along with the preferential dividend declared and paid in the succeeding years.
3. Tenure	20 years from the date of issue
4. Conversion Ratio	Each CCPS shall be converted into 1 (one) Equity Share of the Company
5. Conversion Right	Upon occurrence of a QIPO/IPO or Strategic Sale, holders of CCPS shall be converted into Equity Shares of the Group.
6. Conversion Mechanism	1. CCPS holder needs to issue Conversion Notice to the Group along with original Share Certificate.
	2. Upon receipt of Conversion Notice, Group to initiate conversion process.
	3. Group to issue Equity Share Certificate within 30 days of conversion.
6. Buyback/Redemption Right	Holder has a right to get CCPS purchased by the Group as per the terms of Shareholder's Agreement.
7. Compulsory Conversion/ Redemption	At the expiry of tenure of the CCPS
8. Liquidation Right	In the event of liquidation of the Group before conversion/ redemption of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.
9. Pari Passu Participation Right	The CCPS holder shall have a right to participate in sharing the surplus remaining available post distribution of the face value to the holders of Equity Shares.

13. SHARE CAPITAL (CONTINUED)

(d) Rights and terms of conversion / redemption of Preference Shares

The brief terms for CCPS shares under Sr No 2 are as under:

Terms	CCPS
1. Face Value	Rs.5 per share
2. Dividend Rights	Minimum Cumulative Preferential Dividend @ 0.001% appropriately adjusted for any bonus shares, share split, reclassification, recapitalization, consolidation or similar event affecting the CCPS
3. Tenure	Earlier of: (i) the completion of a period of 20 (Twenty) years from the date of its issue; or (ii) the consummation of an initial public offering of the securities of the Company
4. Conversion Ratio	"No. of Equity Shares on conversion of 1 CCPS = (CCPS issue price i.e. CCPS Face Value + CCPS Premium)/Conversion Price"
5. Conversion Price	Conversion Price means the price per Equity Share as determined pursuant to paragraph 9 of Part A of Schedule 5 of SPSA dated November 18, 2019 and ammendment/addendum, if any.
6. Conversion Right	"CCPS may be converted into Equity shares of the Company any time at the option of CCPS holder. Notwithstanding the other terms of issue of the CCPS, the CCPS shall immediately and automatically be converted into Equity Shares on the earlier of: (i) the completion of a period of 20 (Twenty) years from the date of its issue; or (ii) the consummation of an initial public offering of the securities of the Company."
7. Conversion Mechanism	1. CCPS holder needs to issue Conversion Notice to the Company along with original Share Certificate.
	2. Upon receipt of Conversion Notice, Company to initiate conversion process, subject to application for government approvals, if any
	3. Company to issue Equity Share Certificate within 10 days of the date of the Conversion Notice and receipt of all Government approvals.
8. Compulsory Conversion/ Redemption	The CCPS shall immediately and automatically be converted into Equity Shares on the earlier of: (i) the completion of a period of 20 (Twenty) years from the date of its issue; or (ii) the consummation of an initial public offering of the securities of the Company.
9. Liquidation Preference	Liquidation preference can be made to the CCPS holder within the time periods mentioned as per the terms of SPSA dated November 18, 2019 and ammendment/addendum, if any.
10. Liquidation Right	In the event of a dissolution or winding up, the proceeds available for distribution to shareholders of the Company shall be paid or distributed in a manner such that each holder of CCPS shall be entitled, on a pari passu basis and subject to applicable law, to receive in respect of each CCPS then held by such holder, prior and in preference to any distribution of any assets or funds or proceeds to the holders of the Equity Shares or any other securities, an amount (the “Preference Amount”) equal to 100% of the issue price of such CCPS plus any arrears of declared and accrued but unpaid dividends calculated to the date of such payment.

13. SHARE CAPITAL (CONTINUED)

(Currency : Indian rupees in Lakhs)

e. Details of shareholders holding more than 5% shares in the Group

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of Rs.5 each fully paid				
Aksipro Diagnostic Pvt. Ltd.	1,26,03,084	69.93%	9,27,864	4.93%
Gautam V. Daftary	-	-	30,18,745	16.02%
Bharat V. Daftary	7,78,400	4.32%	30,18,745	16.02%
Bharat V. Daftary Jt. Bhavna Daftary	13,00,704	7.22%	18,30,322	9.72%
Gautam V. Daftary Jt. Aarti Daftary	12,41,508	6.89%	18,30,322	9.72%
Aarti Daftary Jt. Gautam Daftary	4,67,299	2.59%	10,43,847	5.54%
Bhavna Daftary Jt. Bharat Daftary	6,30,012	3.50%	10,43,847	5.54%
Orbimed Asia Mauritius Limited	-	-	20,75,017	11.01%
Orbimed Asia II Mauritius FVCI Investments Limited	-	-	12,64,554	6.71%
Siro Clinpharm Pvt ltd	10,00,000	5.55%		
DVRS of Rs.5 each fully paid				
Kotak India Private Equity Fund III (Kotak II)	-	-	50	50.00%
Orbimed Asia II Mauritius FVCI Investments Limited	-	-	50	50.00%
Aksipro Diagnostic Pvt. Ltd.	100	100.00%	-	-
CCPS-I of Rs.5 each fully paid				
Kotak India Private Equity Fund III (Kotak II)	-	-	7,14,119	100.00%
Aksipro Diagnostic Pvt. Ltd.	7,14,119	100.00%	-	-
CCPS-II of Rs.5 each fully paid				
Orbimed Asia Mauritius Limited	-	-	10	100.00%
Aksipro Diagnostic Pvt. Ltd.	10	100.00%	-	-
CCPS-III of Rs.5 each fully paid				
Orbimed Asia II Mauritius FVCI Investments Limited	-	-	9,19,243	100.00%
Aksipro Diagnostic Pvt. Ltd.	9,19,243	100.00%	-	-
CCPS-IV of Rs.5 each fully paid				
Orbimed Asia II Mauritius FVCI Investments Limited	-	-	68,000	18.42%
Kotak India Private Equity Fund III (Kotak II)	-	-	64,373	17.44%
Kotak Mahindra Life Insurance Company Limited (KLI)	-	-	1,49,304	40.45%
Kotak India Growth Fund III (Kotak India)	-	-	87,458	23.69%
Aksipro Diagnostic Pvt. Ltd.	3,69,135	100.00%	-	-
CCPS of Rs.5 each fully paid				
Aksipro Diagnostic Pvt. Ltd.	8,17,197	100.00%	-	-

As per records of the Group, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

13A. OTHER EQUITY

(Currency : Indian rupees in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Capital Reserve	(2,554.81)	(2,554.81)
Capital Redemption Reserve	1,077.41	48.05
Securities Premium Reserve	13,496.57	10,572.19
General Reserve	5,021.91	6,051.27
Deemed Capital Contribution	780.53	780.53
Foreign Currency Translation Reserve	(136.35)	666.19
Retained Earnings	34,065.44	32,331.26
Total	**51,750.70**	**47,894.68**

13A-1. CAPITAL RESERVE

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	(2,554.81)	(2,554.81)
Add/(Less): Additions/ (Deductions) during the year	-	-
Closing Balance	(2,554.81)	(2,554.81)

13A-2. CAPITAL REDEMPTION RESERVE

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	48.05	48.05
Add/(Less): Additions/ (Deductions) during the year (Refer Note 13.2.a and 13.2.d)	1,029.36	-
Closing Balance	1,077.41	48.05

13A-3. SECURITIES PREMIUM RESERVE

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	10,572.19	10,572.19
Issue of Compulsory Convertible Preference Shares (Refer note 13.2.b)	15,436.69	-
Buyback of equity shares (Refer note 13.2.a)	(12,512.31)	-
Closing Balance	13,496.57	10,572.19

13A-4. GENERAL RESERVE

(Currency : Indian rupees in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	6,051.27	5,648.27
Add: Transfer from Retained Earnings	-	403.00
Less: Transfer to Capital Redemption Reserve (Refer Note 13.2.a and 13.2.d)	(1,029.36)	-
Closing Balance	5,021.91	6,051.27

13A-5. DEEMED CAPITAL CONTRIBUTION

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	780.53	-
Add: Equity Component of compound financial instrument	-	780.53
Closing Balance	780.53	780.53

13A-6. FOREIGN CURRENCY TRANSLATION RESERVE

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	666.19	285.14
Add/(Less) : Effect of foreign exchange rate variations	(802.54)	381.05
Closing Balance	(136.35)	666.19

13A-6. RETAINED EARNINGS

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	32,331.26	22,929.02
Add : Profit for the year	5,163.75	10,375.91
Add : Other Comprehensive Income for the year, net of tax	(190.97)	54.35
Less : Dividend on Equity Shares	(235.49)	(468.38)
Less : Dividend on Preference Shares	(25.14)	(50.07)
Less : Corporate Tax on Dividend	(53.58)	(106.57)
Less: Tax on Buyback	(2,924.39)	-
Less : Transfer to General Reserve	-	(403.00)
Closing Balance	34,065.44	32,331.26

14. BORROWINGS

(Currency : Indian rupees in Lakhs)

		As at 31 March 2020	As at 31 March 2019
14A	**Non- Current Borrowings**		
	Secured:		
	Term Loan		
	From Banks		
	-Foreign Currency Loan	1,976.22	3,028.69
	Vehicle Loan	-	37.14
	Term loan from department of biotechnology	-	216.34
	Finance lease obligations **(Refer note 30A)**	-	399.67
	Unsecured		
	Loan from Department of Science and Technology	-	266.49
	0.01% Non Convertible Non Cumulative redeemable preference shares of Rs. 5/- each ('NCNCRPS') (Refer Note 13.2 (d))	-	207.97
	Total Non-Current Borrowings	1,976.22	4,156.30
	Less : Amount disclosed under the head "Other current financial liabilities"	1,056.23	1,474.45
	Less : Current maturities of finance lease obligations	-	184.91
	Non- Current Borrowings	919.99	2,496.94
14B	**Current Borrowings**		
	Secured		
	Buyers credit from banks	416.87	438.17
	Working Capital Term Loan	1,184.06	1,090.97
	Unsecured		
	Loan from directors (Refer note 36)	106.78	106.78
	Current Borrowings	1,707.71	1,635.92

14. BORROWINGS (CONTINUED)

(Currency : Indian rupees in Lakhs)

Borrowing

Notes:-

Non-Current Borrowing

14.1 Foreign Currency Term Loans were taken from Exim bank and are secured by way of the hypothecation of movable assets and the first pari-passu charge on immovable assets of the Parent Company situated at Ambernath Plant and second charge on current assets of the Parent Company. Terms of repayment are as under:

Bank name	Rate of interest p.a	No. of instalments pending	Instalment Amount per quarter (Amount in USD Lakhs)	Commencement from
Exim Bank	6 month Libor +300 BPS	4	2.88	Sep-17
Exim Bank	6 month Libor +300 BPS	1	2.54	Sep-17

14.2 Term Loan taken from Exim Bank Limited is secured by way of fixed charge on entire assets of the BSV Bioscience GmbH situated at Baesweiler Germany and by Corporate Guarantee from Parent Company, Bharat Serums and pledge of BSV Bioscience GmbH shares held by Bharat Serums and Vaccines Ltd.

Bank name	Rate of interest p.a	No. of instalments pending	Instalment Amount per month (Euro)	Commencement from
Exim Bank	6 month Uribor +3.75%	15	75,000	Jan-18

14.3 Vehicle loan of Rs. 53.91 Lakhs carries interest rate 9.25% p.a. and is repayable in 12 equal monthly instalments of Rs.4.72 lakhs commencing October 2018 and Loan of Rs. 37.00 Lakhs interest rate 9.00% p.a. and is repayable in 12 equal monthly instalments of Rs.3.24 lakhs commencing July 2018.The loan has been fully repaid during the year.

14.4 Loan from Department of Biotechnology is secured by way of the hypothecation of movable assets. The loan carries interest at the rate of 3% p.a. and is repayable in 10 equal instalments of Rs.94.30 lakhs commencing from July 2012. The loan has been fully repaid during the year.

14.5 Loan from Department of Science and Technology carries interest at the rate of 3% p.a. and is repayable in 10 equal instalments of Rs.65.69 lakhs and Rs.70.70 lakhs each commencing 1 April 2009 and 1 Apr 2011 for two projects .The loan has been fully repaid during the year.

Current Borrowing

14.6 Cash credit, buyers credit, packing credit foreign currency, foreign bill discounting & working capital demand loan from banks are secured by way of hypothecation of raw material, packing material, materials under process, finished goods, book debts, machinery; and second pari passu charge on the immovable assets of the Group situated at Ambernath Plant. All these loans are repayable on demand.

14.7 Working Capital Term loan of US $ 15,60,000 renewed in January 2020 for 1 year at 6 month Libor +2.35% pa and secured by first pari passu charge of the Fixed and Current assets of the BSV Bioscience GmbH and Corporate Guarantee by Parent Company, Bharat Serums and Vaccines Ltd.

14.8 The cash credit carries interest of 8.55% to 9.50% p.a.

14.9 The buyers credit from banks carries interest rate of 3 month EURIBOR+2.25% to 6 month EURIBOR+2.85%

14.10 The Group has not defaulted on repayment of loans and interest during the year except

Particulars	Due Date	Actual Payment Date	Default Day	Instalment Amt
DST-104/05-06	01.04.19	02.04.19	1	69,63,988
DST-78/05-06	01.04.19	02.04.19	1	74,94,200

The Group has repaid both the loans during the year. However, some of the repayments were done at the dates later than due dates. Therefore , the Group has paid Rs 75.62 lakhs during the year as interest due to delayed repayments over term of the loan.

15. OTHER FINANCIAL LIABILITIES

(Currency : Indian rupees in Lakhs)

		As at 31 March 2020	As at 31 March 2019
15	**Current**		
	Current maturities of long-term debt	**1,056.23**	1,474.45
	Current maturities of finance lease obligations	-	184.91
	Security Deposit	**1,289.41**	1,780.65
	Interest accrued but not due on borrowings	**12.15**	177.17
	Salary payable	**7.90**	85.60
	Bonus payable	**402.30**	256.46
	Unpaid incentives	**376.46**	723.11
	Capital creditors	**202.63**	184.18
	Current total	**3,347.08**	4,866.53
		3,347.08	4,866.53

16. OTHER LIABILITIES

		As at 31 March 2020	As at 31 March 2019
16A	**Non-Current**		
	Deferred income		
	Licencing income	**187.82**	204.68
	Government Grant (Refer Note 41)	**218.14**	281.94
	Concessional loan	-	41.99
	Non-current total	**405.96**	528.61
16B	**Current**		
	Advances from customers	**1,232.05**	578.36
	Statutory liabilities		
	TDS payable	**168.40**	176.17
	Others	**330.39**	231.48
	Deferred income		
	Licencing income	**17.86**	17.86
	Government Grant (Refer Note 41)	**63.79**	63.79
	Concessional loan	-	30.86
	Rent	**2.97**	-
	Current total	**1,815.46**	1,098.52
		2,221.42	1,627.13

17. PROVISIONS

(Currency : Indian rupees in Lakhs)

		As at 31 March 2020	As at 31 March 2019
17A	**Non-current**		
	Provision for employee benefits		
	Compensated absences	1,599.23	948.50
	Gratuity (Refer note 24A)	524.45	457.19
	Provision for anticipated sales returns (Refer note below)	481.85	606.33
	Non-current total	2,605.53	2,012.02
17B	**Current**		
	Provision for employee benefits		
	Compensated absences	419.65	893.62
	Gratuity (Refer note 24A)	441.22	173.06
	Provision for anticipated sales returns (Refer note below)	643.70	639.22
	Current total	1,504.57	1,705.90
		4,110.10	3,717.92

Note : Additional disclosures relating to provision for sales return : (as per Indian Accounting Standard (Ind AS 37))

	As at 31 March 2020	As at 31 March 2019
At the commencement of the year	1,245.55	1,025.55
Provision made during the year	519.22	1,016.57
Provision utilised during the year	(639.22)	(796.57)
Closing balance	**1,125.55**	**1,245.55**

18. TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
Trade payables		
Due to Micro and Small Enterprises (Refer Note Below)	39.29	43.38
Other than Micro and Small Enterprises	7,770.92	6,993.40
	7,810.21	7,036.78

Notes:

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information available with the Group.

(Currency : Indian rupees in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Principal amount and interest due:		
i) Principal amount remaining unpaid	**39.29**	43.38
Interest due thereon remaining unpaid	**0.36**	0.49
(ii) Interest paid by the Parent Company in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act	-	-
(iv) Amount of Interest accrued and remaining unpaid at the end of accounting year	**5.54**	**4.69**
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	**5.90**	**4.20**

19. REVENUE FROM OPERATIONS

	Particulars	As at 31 March 2020	As at 31 March 2019
(i)	**Finished Goods**	**73,339.29**	74,726.38
(ii)	Traded Goods	**15,076.34**	12,200.85
(iii)	Service Income	**18.59**	**35.80**
Sale of Products (A)		**88,434.22**	**86,963.03**
Other operating revenue (B)			
(i)	Export entitlements	**846.05**	**691.79**
(ii)	Others	**378.24**	**212.12**
		1,224.29	**903.91**
	Total (A)+(B)	**89,658.51**	**87,866.94**

Note: Revenue from operations is through contract entered between customer and the group.

20. OTHER INCOME

	As at 31 March 2020	As at 31 March 2019
Interest income on		
- Bank deposits	**81.42**	31.01
- Other financial assets at amortised cost	**111.01**	75.00
Exchange gain on foreign currency fluctuations (net)	**816.11**	-
Profit on sale of fixed assets (net of stamp duties)	**837.26**	**9.55**
Miscellaneous income	**196.76**	**499.58**
	2,042.56	**615.14**

(Currency : Indian rupees in Lakhs)

21. COST OF MATERIALS CONSUMED

Particulars	As at 31 March 2020	As at 31 March 2019
Raw material consumption	22,534.47	19,156.57
Packing material consumption	2,356.51	2,260.51
Total consumption	24,890.98	21,417.08

22. PURCHASES OF STOCK-IN-TRADE

Particulars	As at 31 March 2020	As at 31 March 2019
Purchases of Stock-in-Trade		
a. Injectables	4,152.63	4,710.17
b. Others	5,310.71	4,999.56
Purchases of Stock-in-Trade	9,463.34	9,709.73

23. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	As at 31 March 2020	As at 31 March 2019
Closing inventories (A)		
Finished goods	4,349.10	2,769.58
Work-in-progress	5,766.44	5,088.77
Stock-in-trade	4,556.98	3,261.37
Effect of foreign exchange translation reserve	(187.21)	(38.65)
	14,485.31	11,081.07
Opening inventories (B)		
Finished goods	2,584.16	2,197.09
Work-in-progress	5,088.77	4,403.12
Stock-in-trade	3,261.37	2,151.10
Effect of foreign exchange translation reserve	(38.65)	-
	10,895.65	8,751.31
(A)-(B)	(3,589.66)	(2,329.76)

(Currency : Indian rupees in Lakhs)

24. EMPLOYEE BENEFITS EXPENSE

Particulars	As at 31 March 2020	As at 31 March 2019
Salaries, wages and bonus	**16,901.56**	13,966.67
Contribution to provident funds and other funds	**991.81**	855.34
Gratuity expense	**272.15**	356.09
Employees' welfare expenses	**484.68**	453.24
	18,650.20	15,631.34

24A. DISCLOSURE OF EMPLOYEE BENEFITS AS PER INDIAN ACCOUNTING STANDARD (IND AS 19) DEFINED BENEFIT PLAN

i) **Gratuity**

The Group operates a defined gratuity plan for its employees. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefit expenses recognised in the employee cost

Defined benefit plan	Gratuity	
	As at 31 March 2020	As at 31 March 2019
Expenses recognised in the statement of profit and loss for the year		
Current service cost	**226.84**	204.53
Past service cost	-	113.82
Benefits Paid	-	-
Interest cost (net)	**45.31**	37.74
Expenses recognised in the statement of profit and loss	**272.15**	356.09
Remeasurements recognised in other comprehensive income		
Loss / (Gain) recognized for the period	**227.64**	(76.65)
Return on Plan Assets excluding net Interest	**58.61**	(6.47)
Expense / (income) recognised in other comprehensive income	**286.25**	(83.12)
Benefit assets / liabilities		
Present value of defined benefit obligation	**(1946.48)**	(1,524.15)
Fair value of plan assets	**980.80**	893.90
Plan asset / (liability)	**(965.68)**	(630.25)
Reconciliation of present value of the defined benefit obligation :		
Opening defined benefit obligation	**1524.15**	1299.82
Current service cost	**226.84**	204.53
Interest cost	**109.57**	96.45
Benefits paid	**(141.71)**	0.00
Actuarial (gains) / losses recognised in other comprehensive income	**227.64**	(76.65)
Closing defined benefit obligation	**1,946.49**	1,524.15

24 DISCLOSURE OF EMPLOYEE BENEFITS AS PER INDIAN ACCOUNTING STANDARD (IND AS 19) (CONTINUED)

Reconciliation of present value of plan assets :

(Currency : Indian rupees in Lakhs)

Defined benefit plan	Gratuity	
	As at 31 March 2020	As at 31 March 2019
Opening fair value of plan assets	893.90	753.73
Return on plan assets recognised in other comprehensive income	(58.61)	6.47
Interest Income	64.26	58.70
Contributions by employer	110.00	75.00
Benefits paid	(28.75)	-
Closing fair value of plan assets	980.80	893.90

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	31 March 2020	31 March 2019
Gratuity fund (Kotak Mahindra Old Mutual life Insurance Ltd.)	100%	100%

i) **Gratuity**

The principal assumptions used in determining gratuity for the Group's plans are shown below:

	Years of service	31 March 2020	31 March 2019
Discount rate		6.43%	7.19%
Expected rate of return on assets		6.43%	7.19%
Salary escalation rate (p.a.)		9.00%	9.00%
Employee turnover (Years of service)	0 to 5 yrs	20.00%	20.00%
	5 to 10 yrs	15.00%	15.00%
	10 to 20 yrs	10.00%	10.00%
	20 to 42 yrs	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous five periods are as follows:

	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Gratuity					
Defined benefit obligation	1,946.49	1,524.15	1,299.82	1,117.38	801.19
Plan assets	980.80	893.90	753.73	758.31	581.94
Surplus / (deficit)	(965.69)	(630.25)	(546.09)	(359.07)	(219.25)
Experience adjustments on plan assets	(58.61)	6.47	(8.54)	25.81	(10.93)

The management has relied on the overall actuarial valuation conducted by the actuary.

24. DISCLOSURE OF EMPLOYEE BENEFITS AS PER INDIAN ACCOUNTING STANDARD (IND AS 19) (CONTINUED)

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations

Salary Escalation Rate: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Period Ended 31-Mar-20		Period Ended 31-Mar-19	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Impact of increase in 100 bps on DBO	(132.59)	124.65	(105.04)	95.06
Impact of decrease in 100 bps on DBO	151.26	(114.98)	120.15	(88.20)

ii) Leave encashment

Amount of Rs. 379.14 Lakhs (31 March 2019 Rs. 289.42 Lakhs) is recognised as an expense and included in "Employee benefits" in the Statement of profit and loss.

Actuarial assumptions	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Discount rate	6.43%	7.19%	7.42%	6.67%	8.00%
Salary escalation rate (p.a.)	9.00%	9.00%	9.00%	9.00%	7.50%
Leave availment rate (p.a.)	2.00%	-	-	-	-
Leave availment rate (p.a.)	2.00%	-	-	-	

B Defined contribution plans:

The Group makes contributions towards provident fund, Employee Pension Scheme and Employee State Insurance Scheme to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The provident fund, Employee Pension Scheme and Employee State Insurance Scheme is operated by the Government administered employee provident fund. Eligible employees receive the benefits from the said provident fund, Employee Pension Scheme and Employee State Insurance Scheme.

Amount of Rs. 991.81 Lakhs (31 March 2019 Rs. 855.34 Lakhs) is recognised as an expense and included in "Employee benefits" in the Statement of profit and loss

25. OTHER EXPENSES

(Currency : Indian rupees in Lakhs)

Particulars		As at 31 March 2020	As at 31 March 2019
Accessories and consumables		1,089.63	1,186.66
Animal feeding and maintenance		190.78	192.84
Contract labour charges		977.43	801.52
Power and fuel		1,603.15	1,461.48
Freight and forwarding charges		1,571.29	1,504.33
Rent		87.15	389.44
Rates and taxes		428.18	250.72
Insurance		376.67	363.44
Repairs and maintenance:			
- Plant and machinery		417.53	453.18
- Buildings		352.02	310.15
- Others		84.09	118.25
Advertising and sales promotion		3,219.71	2,947.40
Sales Commission		3,259.08	3,315.30
Travelling and conveyance		2,856.86	2,796.74
Legal and professional fees		4,938.41	1,812.84
Printing and stationary		168.36	89.91
Payment to auditors (Refer Note : 25.A)		147.74	73.74
Analytical and inspection charges		1,403.39	1,311.48
Exchange loss on foreign currency fluctuations (net)		-	95.21
Provision for doubtful debts		216.17	240.00
Provision for doubtful advance and deposits		67.99	165.33
Provision for impairment of investments		-	-
Bad debts	274.40	-	-
Less: Provision for doubtful debts reversed	-	274.40	-
Research and development expenses (Refer Note 31)		2,289.43	3,348.02
Biological assets written off (Refer Note:4)		19.39	7.80
Intangibles under development written off (Refer Note:5)		566.89	-
Impairment of Intangible assets (Refer Note:5)		1,104.66	-
Sundry balances written off		16.53	422.97
Distribution expenses		194.34	213.18
Corporate Social Responsibility (CSR) expenditure (Refer Note 34)		295.27	247.54
Bank charges		106.60	178.46
Miscellaneous expenses		1,632.89	1,099.40
		29,956.03	25,397.33

(Currency : Indian rupees in Lakhs)

25A. PAYMENT TO AUDITORS

Particulars	As at 31 March 2020	As at 31 March 2019
Auditors' remuneration		
Statutory Audit fees	35.00	35.00
Limited Review	23.00	-
Taxation matters	7.00	-
Fees for certification	7.00	8.08
Reimbursement of out-of-pocket expenses	1.20	0.48
Tax audit fees	4.50	4.50
	77.70	48.06

26. FINANCE COSTS

Particulars	As at 31 March 2020	As at 31 March 2019
Interest expenses on		
- Bank overdraft and others	525.61	838.58
Interest in respect of financial lease liability (Refer note 30)	157.82	-
Other borrowing cost	94.98	108.31
	778.41	946.89

27. DEPRECIATION,IMPAIRMENT AND AMORTISATION EXPENSE

Particulars	As at 31 March 2020	As at 31 March 2019
Depreciation of property, plant and equipment (Refer note 3)	1,323.02	1,383.71
Depreciation of Right to Use Asset (Refer note 3A)	503.92	-
Impairment of Intangible assets (Refer Note:5)	1,305.45	-
Change in fair value of biological asset (Refer Note:4)	6.01	5.99
Amortisation of intangible assets (Refer Note:5)	994.45	1,256.51
	4,132.85	2,646.21

28. CONTINGENT LIABILITIES NOT PROVIDED FOR

(Currency : Indian rupees in Lakhs)

Sr No.	Particulars	As at 31 March 2020	As at 31 March 2019
A	**Claims against Group not acknowledged as debt:**		
	Service tax demand disputed in appeal; advances paid in dispute Rs 75 Lakhs (31 March 2018 Rs 75 Lakhs)	**796.88**	397.24
	"Income tax demand disputed in appeal; advances paid in dispute Rs Nil (31 March 2018 Rs Nil)"	**1,056.53**	935.25
		1,853.41	1,332.49

Notes

28.1 Management considers that the service tax and income tax demands received from the authorities are not tenable against the Group, and therefore no provision for these tax contingencies have been made.

28.2 The Group has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have materially adverse effect on its consolidated financial statements.

28.3 The Bank Guarantees are for business purpose given to subsidiary.

29. COMMITMENTS

Sr No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	**Estimated amount of contracts remaining to be executed on Capital Accounts -net off advance paid Rs 29.60 Lakhs (31 March 2019 Rs 77.70 Lakhs)**	**225.86**	509.99

30. LEASES

Effective 1st April 2019, the Group adopted Ind AS 116 "Leases", using modified retrospective approach. Accordingly, the comparatives have not been retrospectively adjusted.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease.

On Transition, The Group has recognised new assets and liabilities for its operating leases of premises and other assets.

Operating Lease:

(i) Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019.

(ii) Right-of-use assets are measured at an amount equal to the lease liability.

(iii) "The nature of expenses related to those leases changed from lease rent in previous periods to

(a) amortization change for the right-to-use asset, and

(b) interest accrued on lease liability."

(iv) The Group used a practical expedients when applying Ind AS 116.

(a) The Group did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application"

Following are the changes in value of right of use asset for year end March 2020.

(Currency : Indian rupees in Lakhs)

Particulars	Land	Building	Plant & Equipment	Furniture and fixtures	Office Equipment	Leasehold Improvements	Total
Balance as of April 1 , 2019	191.10	-	15.77	29.44	4.21	114.44	354.96
Reclassified on account of Adoption of INDAS 116	-	1,681.91	-	-	-	-	1,681.91
Addition	-	44.41	-	-	-	-	44.41
Deletion	(0.38)	-	-	-	-	-	(0.38)
Foreign Currency Translation adjustments		2.85					2.85
Depreciation	(2.40)	(400.84)	(11.83)	(17.14)	(2.91)	(68.80)	(503.92)
Balance as at March 31, 2020	**188.32**	**1,328.33**	**3.94**	**12.30**	**1.30**	**45.64**	**1,579.83**

Following is the break up of the current and non current lease liabilities as at March 31, 2020

Particulars	As at March 31, 2020
Current lease liabilities	576.65
Non - Current lease liabilities	986.06
Total	**1,562.71**

30. LEASES (CONTINUED)

(Currency : Indian rupees in Lakhs)

Following are the changes in value of Lease Liability for the year end March 2020.

Particulars	As at March 31, 2020
Balance as of April 1 , 2019	399.67
Reclassified on account of Adoption of INDAS 116	1,628.16
Addition	56.30
Deletion	-
Finance cost	157.82
Lease payment	(679.24)
Total	**1,562.71**

The details of contractual maturities of lease liabilities as at 31st March 2020, on undiscounted basis are as follows:

Particulars	As at March 31, 2020
Less than 1 year	671.41
One to five years	1,078.30
Total	**1,749.71**

During the year end March 31, 2020, Company has recognized in the statement of profit and loss -

a) Depreciation expense from right-to-use of INR 503.92 lakhs
b) Interest expense on lease liabilities INR 157.82 lakhs

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under note 34 of Annual report 2019 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116.

31. RESEARCH AND DEVELOPMENT

(Currency : Indian rupees in Lakhs)

Research expenses incurred during the year and debited to statement of profit and loss aggregating Rs. 3215.87 Lakhs (31 March 2019 : Rs. 4,356.32 Lakhs). The details of research and development expenditure are as under:

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
A) Revenue expenditure			
i) Salary, wages and other benefits	25	**926.44**	1,008.29
ii) Research and development expenditure	26		
Chemicals and accessories		**458.53**	635.61
Analytical and Inspection		**872.55**	1,486.60
Clinical trial Charges		**287.77**	416.85
Repairs and maintenance		**98.76**	117.35
Patent expenses Foreign		**11.39**	73.30
Patent expenses Domestic		**13.72**	86.36
Rent		**16.36**	131.87
Electricity		**151.81**	90.67
Other expenses		**378.54**	309.42
		2,289.43	3,348.03
Total revenue expenditure (i+ii)		**3,215.87**	4,356.32
B) Capital expenditure			
Lab Equipment's		**101.63**	107.75
Furniture and Fixtures		**-**	0.81
Total capital expenditure		**101.63**	108.56
Total research and development expenditure (A + B)		**3,317.50**	4,464.88

32. EARNINGS PER SHARE

(Currency : Indian rupees in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Profit after tax	**5,163.75**	10,375.91
Weighted average number of equity shares for calculating EPS		
Equity Shares	**187.21**	187.35
Convertible preference shares	**21.21**	20.03
Weighted average number of equity shares in calculating EPS (B)	**208.42**	207.38
Basic earnings per share of face value of Rs 5 each (A)/(B) (Rs.)	**24.78**	50.03
Diluted earnings per share of face value of Rs 5 each (A)/(B) (Rs.)	**24.78**	50.03

33. SEGMENT REPORTING

Basis for Segmentation

The operations of the Group are limited to one segment viz. Biopharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

The Group Chief Operating Decision Maker (CODM) reviews the internal reports prepared based on an aggregation of financial information for all entities in the Group (adjusted for intergroup eliminations, adjustments etc.) on a periodic basis.

Entity-wide disclosures

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographic location of the assets.

Particulars	As at 31 March 2020	As at 31 March 2019
a) Revenue from Operations:		
Country of Domicile-India	**56,167.19**	56,918.34
Outside India	**33,491.32**	30,873.60
	89,658.51	87,791.94
b) Non-Current assets (Other than Deferred Tax Assets):		
Country of Domicile-India	**20,929.96**	25,748.74
Outside India	**2,750.66**	2,783.99
	23,680.62	28,532.73

The Group did not have any external revenue from a particular customer which exceeded 10% of total revenue during the year

34. As per Section 135 of the Act, a CSR committee has been formed by the Group. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art, culture, healthcare, destitute care and rehabilitation and rural development projects.

a. The gross amount required during the year to be spent by the Group was Rs.205.20 Lakhs (31 March 2019: Rs. 141.18 Lakhs)

b. Particulars of amount spent during the year on:

(Currency : Indian rupees in Lakhs)

	In cash	Yet to be paid	Total
1) Construction / Acquisition of assets	41.94	-	41.94
	(-)	(-)	(-)
2) On purposes other than (i) above	**253.33**	**-**	**253.33**
	(247.54)	(-)	(247.54)
Total for the Year ended 31 March 2020	295.27	-	295.27
Total for the Year ended 31 March 2019	**(247.54)**	**(-)**	**(247.54)**

35. DIVIDEND PAID AND PROPOSED

Dividends on equity shares were declared and paid by the Group during the year

Particulars	Dividend Per Share (Rs)	"Year ended 31 March 2020"	Dividend Per Share (Rs)	"Year ended 31 March 2019"
Dividend on equity shares	1.25	235.49	2.50	468.38
Dividend on preference shares	1.25	25.14	2.50	50.07
Dividend distribution tax		53.58		106.57

36 INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ON RELATED PARTY DISCLOSURES FOR YEAR ENDED 31 MARCH 2020

A. List of related parties and their relationship

	Name of Related Party	Principal place of business	% Shareholding and Voting Power	
			Year ended 31 March 2020	Year ended 31 March 2019
g	Holding Company of Parent			
	Ansamira Limited (w.e.f. 07th February 2020)	Cyprus		
b	**Parent Company**			
	Aksipro Diagnostics Private Limited (w.e.f. 07th February 2020)	India	69.93%	4.93%

c	**Key Managerial Personnel ("KMP")**	
	- Till 07th February 2020	
	Mr. Bharat V Daftary	Chairman and Managing Director
	Dr. Gautam V Daftary	Vice Chairman and Managing Director
	Mr. Siddharth B Daftary	Executive Director
	Mr. Roopesh Bhargava	Chief Operating Officer
	Mr. Shahzaad Siraj Dalal	Independent Director
	Mr. Suketu Viren Shah	Independent Director
	Mr. Suresh Lal Goklaney	Independent Director
	Mr. Nitin Jagannath Deshmukh	Independent Director
	Mr. Ajeet Singh Karan	Independent Director
	Mr. Nafeesa Adil Moloobhoy	Independent Director
	Mr. Sunny Sharma	Independent Director
	W.e.f. 07th February 2020	
	Mr. Sanjiv Navangul	Managing Director & Chief Executive Officer
	Ms. Shweta Jalan	Non - Executive Director
	Mr. Pankaj Patwari	Non - Executive Director
	Mr. Bharat V Daftary	Non - Executive Director
	Dr. Gautam V Daftary	Non - Executive Director
	Mr. Abhijit Mukherjee	Independent Director
	Mr. Bhaskar Iyer	Independent Director
	Mr. Jayesh Merchant	Independent Director
	Mr. Anil Madhusudan Damle (till 14th July 2020)	Chief Financial Officer (till 14th July 2020)
	Mr. Charudatta Sambhaji Samant	Company Secretary

e Relatives of Key Managerial Personnel ("KMP") with whom transactions have taken place during the year

Mr. Akshay G Daftary	Son of Dr. Gautam V Daftary
Mrs Ansuya V Daftary	Mother of Dr. Gautam Daftary
Mr. Karan G Daftary	Son of Dr. Gautam V Daftary

f Entities over which Key Management Personnel and their relatives have significant influence or control and with whom transactions have taken place during the year ("Entities")

SIRO Clinpharm Private Limited
Aksigen Pharmaceutical Private Limited
Advy Chemicals Private Limited
Aksigen Hospital Care
Advy Co. Japan Limited
Rivaara Labs Private Limited

36 INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ON RELATED PARTY DISCLOSURES FOR YEAR ENDED 31 MARCH 2020 (CONTINUED)

A. List of related parties and their relationship (Continued)

(Currency : Indian rupees in Lakhs)

Details of Transactions with Related Parties

Sr No	Particulars	Year ended 31 March 2020			
		KMP	Relative of KMP	Relative of KMP	Entities
		c	d	e	
1	Purchase of services	**-**	**-**	**29.79**	**29.79**
		-	-	(32.13)	(32.13)
2	Sales of Vehicles	**-**	**2.72**	**96.25**	**98.97**
		-	-	-	-
3	Sales of Assets	4,323.50	-	900.00	5,223.50
		-	-	-	-
					-
4	**Remuneration ***	630.20	-	-	630.20
		(734.99)	**-**	**-**	**(734.99)**
5	**Sitting Fees to Non Executive Directors**	27.64	-	-	27.64
		(10.89)	-	**-**	**(10.89)**
6	Advance given	-	-	45.00	45.00
		-	**-**	**(3.70)**	**(3.70)**
7	Purchase of goods	-	-	17.93	17.93
		-	-	(9.74)	(9.74)
8	Sale of goods	-	-	40.07	40.07
		-	-	(30.54)	(30.54)
9	Sale of services	-	-	18.58	18.58
		-	-	(35.35)	(35.35)
10	Professional fees expenses	21.98	-	11.74	33.72
		-	-	(126.94)	(126.94)
11	Salary paid	-	26.12	-	26.12
		-	-	-	-
12	Recovery of expenses	-	-	-	-
		-	-	(32.74)	(32.74)
13	Rent paid	2.50	-	2.00	4.50

***Key management personnel Remuneration**

(Currency : Indian rupees in Lakhs)

Key management personnel remuneration comprised the following:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Remuneration	566.80	690.29
Post-employment benefits	63.40	44.70
Sitting fees to independent director	27.64	10.89
	657.84	745.88

Based on the recommendation of the Nomination and Remuneration committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Group Company, in accordance with shareholders' approval, wherever necessary.

Figures in the brackets are the comparative figures of the previous year.

36 INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)

(Currency : Indian rupees in Lakhs)

A. List of related parties and their relationship (Continued)

Details of Transactions with Related Parties (Continued)

Significant related party transaction

Sr No	Transaction	Related Party Transaction	Year ended 31 March 2020	Year ended 31 March 2019
1	**Purchase of services**			
	Advy Chemicals Private Limited	Entities	**29.18**	32.13
	Siro Clinpharm Pvt. Ltd.	Entities	**0.61**	-
2	**Purchase of goods**			
	Advy Chemicals Private Limited	Entities	**17.93**	9.74
3	**Sale of goods**			
	Advy Chemicals Private Limited	Entities	**8.98**	30.54
	AKSIGEN HOSPITAL CARE	Entities	**31.09**	-
4	**Professional fees expenses**			
	SIRO Clinpharm Private Limited	Entities	**11.74**	126.94
	Bharat V Daftary	KMP	**10.99**	-
	Gautam V Daftary	KMP	**10.99**	-
5	**Sales of Vehicle**			
	Advy Chemicals Private Limited	Entities	**39.50**	-
	SIRO Clinpharm Private Limited	Entities	**25.00**	-
	Rivaara Labs Private Limited	Entities	**22.00**	-
	AKSIGEN HOSPITAL CARE	Entities	**9.75**	-
	Ansuya V Daftary	Relative of KMP	**2.72**	-
6	**Sale of Assets**			
	Mr.Bharat V Daftary	KMP	**2,160.04**	-
	Dr.Gautam V Daftary	KMP	**2,163.46**	-
	Aksigen Pharmaceutical Private Limited	Entities	**900.00**	-
7	**Rent**			
	Mr.Bharat V Daftary	KMP	**1.25**	-
	Dr.Gautam V Daftary	KMP	**1.25**	-
	Aksigen Pharmaceutical Private Limited	Entities	**2.00**	-
8	**Sale of Services**			
	Advy Chemicals Private Limited	Entities	**18.58**	35.35
	Aksigen Pharmaceutical Private Limited	Entities	**2.00**	-

Balance due from / to related party

(Currency : Indian rupees in Lakhs)

As at 31 March 2020

Sr No	Particulars	KMP	Entities	Total
1	Outstanding Receivables/ Advance	-	63.51	63.51
2	Outstanding Payables	15.00	4.49	19.49
3	Loan payable	106.78	-	106.78

As at 31 March 2019

Sr No	Particulars	KMP	Entities	Total
1	Outstanding Receivables/ Advance	-	39.69	39.69
2	Outstanding Payables	-	2.81	2.81
3	Loan payable	106.78	-	106.78

36.1 DISCLOSURE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

(a) The details of loan under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Name of the entity / parties	Loan repayment terms	Purpose	Rate of Interest	Amt As at 31-Mar-20	Amt As at 31-Mar-19
Raut Serums India Pvt Ltd	Repayable on demand	Business Purpose	**11%**	**449.60**	518.00
Sri Anantha Padmanabha Swamy Pharma Pvt Ltd	Repayable on demand	Business Purpose	**10%**	**304.00**	304.00
Sri Anantha Padmanabha Swamy Pharma Pvt Ltd	Repayable on demand	Business Purpose	**11%**	**75.00**	75.00
Total				**828.60**	897.00

37 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

(A) Accounting classification and fair value

The Company uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments

Level 1: Observable prices in active markets for identical assets and liabilities;

Level 2: Observable inputs other than quoted prices in active markets for identical assets and liabilities;

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

(a) **Financial assets**

(Currency : Indian rupees in Lakhs)

	Carrying Amount				Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
As at 31 March, 2020							
Non Current - Loans	-	-	**915.47**	**915.47**	-	-	-
Current - Loans	-	-	**1020.08**	**1,020.08**	-	-	-
Trade receivables	-	-	**15213.58**	**15,213.58**	-	-	-
Cash and cash equivalents	-	-	**7654.45**	**7,654.45**	-	-	-
Other Bank Balances	-	-	**94.59**	**94.59**	-	-	-
Other non-current financial assets	-	-	**468.14**	**468.14**	-	-	-
Other current financial assets	-	-	**71.65**	**71.65**	-	-	-
Total	-	-	**25,437.96**	**25,437.96**	-	-	-
As at 31 March 2019							
Non Current - Loans	-	-	913.02	913.02	-	-	-
Current - Loans	-	-	1,373.35	1,373.35	-	-	-
Trade receivables	-	-	16,165.42	16,165.42	-	-	-
Cash and cash equivalents	-	-	2,118.78	2,118.78	-	-	-
Other Bank Balances	-	-	381.66	381.66	-	-	-
Other non-current financial assets	-	-	118.98	118.98	-	-	-
Other current financial assets	-	-	28.10	28.10	-	-	-
Total	-	-	**21,099.31**	**21,099.31**	-	-	-

(b) Financial liabilities

(Currency : Indian rupees in Lakhs)

	Carrying Amount				Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
As at 31 March, 2020							
Non Current Borrowings (including current maturity of long term debts)	-	-	1976.22	1,976.22	-	-	-
Current Borrowings	-	-	1707.71	1,707.71	-	-	-
Lease liability			1562.71	1,562.71	-	-	-
Trade payables	-	-	7810.21	7,810.21	-	-	-
Other non current financial liabilities	-	-		-	-	-	-
Other current financial liabilities	-	-	3347.08	3,347.08	-	-	-
Total	-	-	16,403.93	16,403.93	-	-	-

37. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

A Accounting classification and fair value (Continued)

b. Financial liabilities (Continued)

	Carrying Amount				Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
As at 31 March 2019							
Non Current Borrowings (including current maturity of long term debts)	-	-	4,156.30	4,156.30	-	-	-
Current Borrowings	-	-	1,635.92	1,635.92	-	-	-
Trade payables			7,036.78	7,036.78	-	-	-
Other non current financial liabilities	-	-	-	-	-	-	-
Other current financial liabilities	-	-	3,207.17	3,207.17	-	-	-
Total	-	-	16,036.17	16,036.17	-	-	-

B Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair value

a) The fair value of the financial instrument is determined using mark to market which is based on management estimates.

37 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

i) Risk Management Framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

ii) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk from its operating activates (primarily trade receivables) and from its financing/investing activities, including investments in deposits with banks. The Group has no significant concentration of credit risk with any counterparty.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade Receivables

Trade receivables are consisting of a large number of customers. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly.

At 31 March 2020, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	31 March 2020	31 March 2019
India	**6,514.67**	8,808.79
Outside India	8,698.91	7,356.63
	15,213.58	16,165.42

The Group's exposure to credit risk for trade receivables by type of counter party is as follows:

Particulars	31 March 2020	31 March 2019
Stockists	**2,751.01**	4,227.79
Institution	**3,763.66**	4,581.00
Exports	**8,698.91**	7,356.63
	15,213.58	**16,165.42**

Impairment

As per simplified approach the Group makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date.

At 31 March 2020, the ageing of trade receivables that were not impaired was as follows.

Particulars	31 March 2020	31 March 2019
Not past due	**9,892.64**	11,753.03
Past due 1–180 days	**4,959.47**	3,320.61
Past due more than 180 days	**361.47**	1,091.78
	15,213.58	**16,165.42**

Expected credit loss (ECL) assessment for domestic institutional customers as at 31 March 2020 and 31 March 2019.

Exposures within each credit risk grade are segmented by geographic region and industry classification and an expected credit loss rate is calculated for each segment based on delinquency status and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows

Particulars	31 March 2020	31 March 2019
Balance as at the beginning of the year	**490.00**	250.00
Impairment loss recognised	**216.17**	240.00
Balance as at the end of the year	**706.17**	490.00

Investments, Cash and Cash equivalents and Bank Deposits

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic credit rating agencies.

iii) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The majority of the Group's trade receivables are due for maturity within 7- 21 days for stockiest and 90 days for institution and case to case basis for exports from the date of billing to the customer. Further, the general credit terms for trade payables are approximately 30-45 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Group. Any short-term surplus cash generated if any, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(Currency : Indian rupees in Lakhs)

31-Mar-20	Contractual Cash Flows				
	Carrying Amount	Total	Less than 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Short term borrowings	1,707.71	1,707.71	1,707.71	-	-
Non Current borrowings	1,976.22	1,976.22	1,056.23	919.99	-
Trade payables	7,036.78	7,036.78	7,036.78	-	-
Other financial liabilities current	2,290.85	2,290.85	2,290.85	-	-
Lease Liability	1,562.71	1,749.71	671.41	1,078.30	-
	14,574.27	**14,761.27**	**12,762.98**	**1,998.29**	**-**

31-Mar-20	Contractual Cash Flows				
	Carrying Amount	Total	Less than 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Short term borrowings	544.95	544.95	544.95	-	-
Long term borrowings	5,247.27	5,247.27	1,659.36	3,587.91	-
Trade payables	7,070.61	7,070.61	7,070.61	-	-
Other financial liabilities current	3,207.17	3,207.17	3,207.17	-	-
	16,070.00	**16,070.00**	**12,482.09**	**3,587.91**	**-**

iv) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates etc. could affect the Group's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

The Group as a policy doesn't enter into any derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Rupee and foreign currencies has kept constant in the last year and as per Group may be stable in the future. Consequently, the results of the Group's operations are adversely affected as the Rupee appreciates/ depreciates against US dollar (USD), Euro (EUR), and British Pound (GBP) etc.

(a) Foreign Exchange Derivatives and Exposures outstanding at the year end

There are no forward exchange contracts (being derivative instruments), exposure during the year.

Currency Risk

The Group is exposed to currency risk on account of its borrowings, other payables, receivables and loans and advances in foreign currency. The functional currency of the Group is Indian Rupee. The Group has exposure to USD, EURO, GBP, SGD, CHF and JPY. The Group has formulated hedging policy for monitoring its foreign currency exposure.

Exposure to Currency Risk

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 in there respective currencies are as below:

(Currency : Indian rupees in Lakhs)

Particulars	31 March 2020		31 March 2019	
	Amount in foreign currency (Lakhs)	Amount in local currency (Lakhs)	Amount in foreign currency (Lakhs)	Amount in local currency (Lakhs)
Financial assets				
Non current Deposit				
USD	-	-	4.06	280.86
EURO	**0.01**	**0.85**	-	-
Trade receivables				
USD	**72.14**	**5,458.46**	66.04	4,567.05
EURO	**8.25**	**682.85**	10.85	842.69
Cash and Cash Equivalents				
USD	**2.02**	**153.24**	0.90	62.28
EURO	**0.27**	**22.35**	0.13	10.17
Other current assets				
EURO	-	-	1.45	108.60
USD	-	-	2.96	208.13
CHF	-	-	0.02	1.67
SGD	-	-	0.03	1.53
Financial liabilities				
Long term borrowings				
USD	**14.04**	**1,062.34**	28.21	1,950.87
Short term borrowings				
USD	**5.04**	**416.87**	-	-
EURO	-	-	5.64	438.17
Trade and other payables				
EURO	**0.63**	**52.09**	3.38	262.98
USD	**8.28**	**626.16**	7.01	484.1
GBP	-	-	0.17	15.72
JPY	**0.28**	**0.20**	-	-
Other current liabilities				
USD	-	-	2.90	200.56
Net foreign currency exposure as at 31 March				
EURO	**7.91**	**654.81**	3.41	260.31
GBP	-	-	(0.17)	(15.72)
USD	**46.80**	**3,506.33**	35.84	2,558.78
CHF	-	-	0.02	1.67
SGD	-	-	0.03	1.53
JPY	**(0.28)**	**(0.20)**	-	-
Total		**4,160.94**		2,806.57

For the purpose of financial statement reporting, the currency exposure are measured at the following year-end exchange rates.

(Currency : Indian rupees in Lakhs)

INR	Year end spot rate	
	31 March 2020	31 March 2019
EURO	82.77	77.67
GBP	93.50	90.53
USD	75.67	69.16
CHF	78.29	69.43
JPY	0.70	0.62
SGD	53.03	51.04

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at 31 March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31 March 2020		31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening
10% movement				
EURO	65.47	(65.47)	26.49	(26.49)
GBP	-	-	(1.54)	1.54
USD	354.14	(354.14)	247.85	(247.85)
CHF	-	-	0.14	(0.14)
JPY	(0.02)	0.02	-	-
SGD	-	-	0.15	(0.15)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments, borrowings and loans because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments, borrowings and loans will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Group to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

INR	31 March 2020	31 March 2019
Fixed-rate instruments		
Financial assets	1,391.33	1,897.64
Financial liabilities	1,289.41	2,908.26
Variable-rate instruments		
Financial liabilities	3,577.15	4,557.83

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(Currency : Indian rupees in Lakhs)

A change of 100 basis points in interest rates would not have any material impact on the equity

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on profit/(loss) - Increase / (Decrease) in profit	
	31 March 2020	31 March 2019
Interest rates – increase by 100 basis points	**(35.77)**	(45.58)
Interest rates – decrease by 100 basis points	**35.77**	45.58

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarized above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio was as follows

	As at 31 March 2020	As at 31 March 2019
Total Borrowings (Including current portion of Long term debts)	5,246.64	5,792.22
Less : Cash and cash equivalent	7,749.04	2,500.44
Net debt	**(2,502.40)**	3,291.78
Total equity	52,792.80	48,936.78
Net debt to equity ratio	(0.05)	0.07

38. MERGER OF KASIAK RESEARCH PVT LTD.

In Financial year 2018-19, The National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order dated 04 September 2018 has approved the Scheme of Merger of Kasiak Research Pvt Ltd ("Kasiak") with the Company. The Scheme was approved by the Board of Directors on 28 March 2018 with an appointed date of 1 April 2017. Consequent to the said Order and filing of the final certified Orders with the Registrar of the Companies, Maharashtra, the Scheme becomes effective in the year ended March 31, 2018.

Since both the entities are controlled by the same group of individuals acting together under a contractual arrangement, the same is treated as a common control business combination. Accordingly, the merger has been accounted using the 'pooling of interest' method (in accordance with the approved Scheme). Pursuant to the Scheme, the unabsorbed tax losses of Kasiak are available to the Company, and accordingly, the same has been recognized in the year ended 31 March 2018.

As per the terms of the Scheme of Amalgamation, purchase consideration has been determined at Rs 2,884.77 lakhs. Out of which Rs.1,891.06 Lakhs was paid in cash during year ended 31 March 2018 and balance of Rs.993.71 lakhs was settled during the Financial Year 2018-19 through issue of 1,04,221 Equity Shares of INR. 5 each and 1,97,69,917 Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of INR. 5/- each of the Company. The difference between purchase consideration and net asset on effective date of Rs 2554.81 lakhs have been debited to capital reserve.

Details of Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) issued:

(Currency : Indian rupees in Lakhs)

A	Particulars	As at 31 March 2020		As at 31 March 2019	
	Authorised	**Numbers**	**Amount**	**Numbers**	**Amount**
	0.01% Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of Rs. 5/- each	1,98,00,000	990.00	1,98,00,000	990.00
	Issued, subscribed and fully paid up				
	0.01% Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of Rs. 5/- each	-	-	1,97,69,917	988.50

B Reconciliation of the number of preference shares outstanding at the beginning and at the end of the period:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Numbers	**Amount**	**Numbers**	**Amount**
0.01% Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of Rs. 5/- each			-	
At the beginning of the period	1,97,69,917	988.50		-
Add: Fresh issue of preference shares			1,97,69,917	988.50
Less: Redemption during the year (Refer note 17.2.e)	(1,97,69,917)	(988.50)		
At the end of the period	-	-	1,97,69,917	988.50

C Details of shareholders holding more than 5% shares in the company

(Currency : Indian rupees in Lakhs)

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of Rs.5 each fully paid	No of shares	% holding in the class	No of shares	% holding in the class
Gautam V. Daftary	-	-	74,76,565	37.82%
Bharat V. Daftary	-	-	74,77,512	37.82%
Anand Daftary	-	-	48,15,840	24.36%
	-	-	1,97,69,917	100.00%

D 0.01% Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of Rs. 5/- each were issued by Parent Company on 28 March 2019 (Redeemable at par on 27 March 2038). Following are the details:

Particulars	As at 31 March 2020	As at 31 March 2019
0.01% Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) of Rs. 5/- each		
Classified in following two categories		
Equity component of compound financial instrument	780.53	780.53
Liability component of compound financial instrument	-	207.97
	780.53	988.50

40 DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO PARENT COMPANY AND SUBSIDIARIES

Sr No	Name of entity	31-Mar-20							
		Net Assets i.e. total assets minus total liabilities		Share in profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (Rs. Lakhs)	As % of consolidated profit/loss	Amount (Rs. Lakhs)	As % of consolidated OCI	Amount (Rs. Lakhs)	As % of consolidated TCI	Amount (Rs. Lakhs)
1	Parent	94.20%	53,223.22	85.76%	4,863.48	85.97%	(190.97)	85.75%	4,672.51
2	Subsidiaries								
a)	BSV Bioscience GmbH	4.99%	2,820.01	0.46%	26.19	-4.94%	10.98	0.68%	37.17
b)	BSV Bioscience Inc.	0.50%	285.22	3.60%	204.32	-8.59%	19.09	4.10%	223.41
c)	BSV Bioscience Philippines Inc	0.60%	334.12	10.19%	578.07	27.56%	(61.23)	9.48%	516.84
d)	BSVLife Private Limited	-0.29%	(164.05)	-0.01%	(0.80)	0.00%	-	-0.01%	(0.80)
	Total	**100.00%**	**56,498.52**	**100.00%**	**5,671.26**	**100.00%**	**(222.13)**	**100.00%**	**5,449.13**
	Add: Adjustment arising out of consolidation		**(3,705.72)**		**(507.51)**		**(771.38)**		**(1,278.89)**
	Total		**52,792.80**		**5,163.75**	**100.00%**	**(993.51)**	**100.00%**	**4,170.24**

Sr No	Name of entity	31-Mar-19							
		Net Assets i.e. total assets minus total liabilities		Share in profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (Rs. Lakhs)	As % of consolidated profit/loss	Amount (Rs. Lakhs)	As % of consolidated OCI	Amount (Rs. Lakhs)	As % of consolidated TCI	Amount (Rs. Lakhs)
1	Parent	95.14%	48,864.94	95.20%	9,670.52	100.00%	54.35	95.22%	9,724.87
2	Subsidiaries								
a)	BSV Bioscience GmbH	5.42%	2,782.83	8.02%	815.09	0.00%	-	7.98%	815.09
b)	BSV Bioscience Inc.	0.12%	61.81	0.46%	47.22	0.00%	-	0.46%	47.22
c)	BSV Bioscience Philippines Inc	-0.36%	(182.72)	-3.68%	(373.77)	0.00%	-	-3.66%	(373.77)
d)	BSVLife Private Limited	-0.32%	(163.26)	0.00%	-	0.00%	-	0.00%	-
	Total	**100.00%**	**51,363.60**	**100.00%**	**10,159.06**	**100.00%**	**54.35**	**100.00%**	**10,213.41**
	Add: Adjustment arising out of consolidation		**(2,426.82)**		**216.85**		**381.05**		**597.90**
	Total		**48,936.78**		**10,375.91**	**100.00%**	**435.40**	**100.00%**	**10,811.31**

41 GOVERNMENT GRANTS

The Company had received government grant which was capitalised in 2014-15 amounted to Rs 637.97 Lakhs with respect to Amphomul project. This grant, recognized as deferred income, is being amortized over the useful life of the Intangible assets in proportion in which the related depreciation expense is recognised

42 The spread of Covid-19 from mid-March is having an unprecedented impact on people and economy. We have been swift in extending support to our multiple stakeholders and maintain our operations through the crisis. This has not significantly impacted our operations and results for the year ended March 31, 2020.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables, tangible assets, intangible assets, assets under strategic review and investments. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company based on current estimates expects the carrying amount of these assets will be recovered.

43 Previous years figures for the previous year have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner
Place: Mumbai
Date: 04th August, 2020

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN :U24230MH1971PLC015134

Pankaj Patwari
Director
DIN : 08206620

Sanjiv H Navangul
Managing Director and CEO
DIN : 02924640

Chirag Mehta
Chief Financial Officer

Charudatta S Samant
Company Secretary
Membership No: A22337

Place: Mumbai
Date: 04th August, 2020

NEUROLOGY, NEPHROLOGY & HEMATOLOGY

Neurology deals with the diagnosis and treatment of all categories of conditions and disease involving the central and peripheral nervous systems (and their subdivisions, the autonomic and somatic nervous systems), including their coverings, blood vessels, and all effector tissue, such as muscle.

NOTICE

NOTICE is hereby given that the 47th Annual General Meeting of the members of "Bharat Serums and Vaccines Limited" scheduled to be held on Wednesday, August 26, 2020 at 03.00 p.m., at the Registered Office of the Company at 17th Floor, Hoechst House, Nariman Point, Mumbai 400021, Maharashtra, India, to transact the following businesses:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the audited Financial Statements (including Audited Consolidated Financial Statements), for the financial year ended March 31, 2020 and the Reports of the Auditors and Board thereon.**
2. **To declare dividend on preference shares of the Company for the Year ended March 31, 2020.**
3. **To declare dividend on equity shares of the Company for the Year ended March 31, 2020.**
4. **Appointment of Mr. Bharat Daftary (DIN 00011518), as Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.**

SPECIAL BUSINESS:

5. **To ratify the remuneration payable to Cost Auditor of the Company.**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of INR. 90,000 plus service tax and out of pocket expenses payable to M/s. Hemant Shah & Associates, Cost Accountant, Mumbai (Firm Registration No. 000394, who are appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audits relating to cost records of the Company for the year ending 31st March, 2021.

   RESOLVED FURTHER THAT any of Directors and/ or Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

   RESOLVED FURTHER THAT certified extract/true copy of this resolution be issued under the signature of any of the Director or Secretary of the Company."

6. **Appointment of Ms. Shweta Jalan (DIN 00291675), as Director of the Company:**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Ms. Shweta Jalan(DIN: 00291675), who was appointed by the Board of Directors as an Additional Director of the Company effective February 7, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the "Act") and the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation."

   RESOLVED FURTHER THAT any of Directors and/ or Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

   RESOLVED FURTHER THAT certified extract/true copy of this resolution be issued under the signature of any of the Director or Secretary of the Company."

7. **Appointment of Mr. Pankaj Patwari (DIN 08206620), as Director of the Company.**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. Pankaj Patwari (DIN: 08206620), who was appointed by the Board of Directors as an Additional Director of the Company effective February 7, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the "Act") and the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation.

   RESOLVED FURTHER THAT any of Directors and/ or Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

RESOLVED FURTHER THAT certified extract/true copy of this resolution be issued under the signature of any of the Director or Secretary of the Company."

8. Appointment of Mr. Sanjiv Navangul (DIN: 02924640), as Director of the Company.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Sanjiv Navangul (DIN: 02924640) , who was appointed by the Board of Directors as an Additional Director of the Company effective February 7, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the "Act") and the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company not liable to retire by rotation.

RESOLVED FURTHER THAT any of Directors and/ or Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

RESOLVED FURTHER THAT certified extract/true copy of this resolution be issued under the signature of any of the Director or Secretary of the Company."

9. Appointment of Mr. Sanjiv Navangul (DIN: 02924640) as Managing Director and Chief Executive Officer (CEO) of the Company: -

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company, and in accordance with the provisions of Section 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 ("the act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, consent of the company be and hereby accorded for the appointment of Mr. Sanjiv Navangul (DIN: 02924640)as Managing Director and Chief Executive Officer(CEO) of the company for a period of 5 (five) years with effect from February 7, 2020 upto February 6, 2025 upon the terms and conditions of appointment including the payment of remuneration, perquisites & other benefits and including the remuneration to be paid in the event of loss of inadequacy of profits in any financial year during the tenure of his appointment as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (including its Committee thereof) to alter and vary the terms & conditions of the said Appointment in such manner as may be agreed to between the Board of Directors and Mr. Sanjiv Navangul.

"RESOLVED FURTHER THAT the consent of the Company be and is hereby also accorded for the payment to Mr. Sanjiv Navangul, the proportionate remuneration, perquisites and other benefits as "Managing Director & CEO Designate" for the period February 7, 2020 upto March 31, 2020 at the same rate as that of his remuneration as the Managing Director & CEO, as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors (including committee thereof) be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of Nomination and Remuneration Committee subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT any of Directors and/ or Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

RESOLVED FURTHER THAT certified extract/true copy of this resolution be issued under the signature of any of the Director or Secretary of the Company."

By order of the Board

Pankaj Patwari

Director

Place: Mumbai
Date: August 4, 2020

By order of the Board

Sanjiv Navangul

Managing Director & CEO

Place: Mumbai
Date: August 4, 2020

Registered Office: 17th Floor, Hoechst House, Nariman Point, Mumbai 400021.

CIN: - U24230MH1971PLC015134 | E-mail: - cs@bharatserums.com

Notes:

a. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint proxy to attend and vote on a poll on his/ her behalf. Such a proxy need not be a member of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

b. A person can act as a proxy on behalf of the members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. Any member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and in such person shall not act as a proxy for any other person or member.

c. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business to be transacted at the Annual General Meeting is annexed hereto.

d. Relevant details in respect of Director seeking appointment at the AGM, in terms Clause 1.2.5 of Secretarial Standard – 2 on General Meetings is also annexed to this notice.

e. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend the Annual General Meeting.

f. Members are requested to intimate the change in their address, if any, immediately to the Company at its Corporate Office/ Registered Office.

g. Members/Proxies are requested to bring their personal copy of Annual Report and Attendance Slip duly filled up for attending the Meeting.

h. The route map to the venue of the meeting is provided at the back of the Attendance slip and forms part of the Notice calling the Annual General Meeting.

i. All the documents referred to in the Notice and Explanatory Statement above are open for inspection at the Corporate Office /Registered Office of the Company between 10.30 a.m. to 5.30 p.m. on all working days except Saturdays, Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

j. Dividend, if declared at the Meeting, will be paid within 30 days from the date of declaration. to all those Members whose names appear in the Register of Members as on the record date i.e. August 25, 2020, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar and whose name appear as Beneficial Owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form as at the end of the business day on the date of August 25, 2020.

k. In respect of the Members having their shareholding in the electronic form, the Company will be disbursing dividend through direct deposit into the respective bank accounts, the particulars of which have been given by the Members to their Depository Participant (DP).

l. In order to safeguard against fraudulent encashment of dividend warrants, Members having physical shares are requested to intimate the Company under the Signature of the sole/ First joint holder, the following information to be incorporated on the dividend warrants:

   Name of the sole/ First Joint holder & the folio number;

   Particulars of Bank Account, viz;

   Name of the Bank;

   Name of the Branch;

   Complete address of the Bank Branch with Pin code;

   Account type whether Saving Account (SB) or Current Account (CA);

   Bank Account Number.

m. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No. 5, 6, 7, 8 & 9 of the accompanying Notice dated August 4, 2020.

In respect of Item No. 5

The Board has approved the appointment of and remuneration payable to M/s. Hemant Shah & Associates, Cost Accountant, Mumbai (Firm Registration No. 000394) for conducting the audit of the cost records of the Company for the financial 2020-2021.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors should be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

In respect of Item No. 6, 7:

The Board of Directors (the "Board") had appointed Ms. Shweta Jalan and Mr. Pankaj Patwari as Additional Directors (Non-Executive) of the Company effective February 7, 2020. Pursuant to the provisions of Section 161 of the Act and Articles of Association of the Company, such directors will hold office up to the date of the ensuing Annual General Meeting (the "AGM") and are eligible to be appointed a Directors of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, notices from Members, proposing the candidature of Ms. Shweta Jalan and Mr. Pankaj Patwari for the office of Director. Ms. Shweta Jalan and Mr. Pankaj Patwari, once appointed, will be liable to retire by rotation. The Company has received from Ms. Shweta Jalan and Mr. Pankaj Patwari (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Act.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Ms. Shweta Jalan and Mr. Pankaj Patwari, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 6 and 7 of the Notice.

The Board recommends the resolution set forth in Item No. 6 and 7 for the approval of the Members.

In respect of Item No. 8 & 9:

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Mr. Sanjiv Navangul **(DIN: 02924640)** as an Additional Director of the Company under Section 161(1) of the Act and as per the provisions of the Articles of Association, with effect from February 7, 2020. He has also been nominated as "Managing Director & CEO designate" from that date. In terms of Section 161(1) of the Act, Mr. Sanjiv Navangul holds office only upto the date of the forthcoming AGM and is eligible for appointment as a Director and not liable to retire by rotation. The Company has received a Notice under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Sanjiv's appointment as a Director. The Board has also appointed Mr. Sanjiv Navangul as the Managing Director & CEO of the Company for a period of five years from February 7, 2020 up to February 6, 2025, upon the terms & conditions hereinafter indicated, subject to approval of the Members.

Mr. Sanjiv Navangul, aged 56 years, is a Master's in Business Administration in Marketing from Symbiosis Institute of Business Management. Mr. Navangul has held several leadership positions in Pharmaceutical companies throughout his 30 years career in India and abroad.

A recipient of several industry awards on Public Health, Marketing and Diversity, Mr. Navangul has also associated with OPPI (Organisation of Pharmaceutical Producers of India) AMCHAM Pharma committee (American Chamber of Commerce) Medical and Regulatory Committee. He has been on the Academic Board of NMMIS Pharma management, IES Management school and IIHMR, Jaipur.

1. The principal terms and conditions of appointment of Mr. Sanjiv Navangul as the Managing Director & CEO (hereinafter referred to as the 'MD & CEO') is as follows:
    a. Period of Appointment Five years commencing from February 7, 2020, the date of appointment.
    b. Remuneration: In consideration of the performance of his duties, the Company shall pay to Mr. Sanjiv Navangul the fixed gross remuneration (other than the PF, Superannuation and Gratuity) of INR 3,07,21,562/- (Rupees Three Crore Seven Lakhs Twenty One Thousand Five Hundred Sixty Two Only) per annum with such increments as may be approved by the Board of Directors (which includes any Committee thereof) from time to time. The gross remuneration shall be categorized as follows:- (a) Basic Salary: ` INR 1,46,13,852/- (Rupees One Crore Forty Six Lakhs Thirteen Thousand Eight Hundred Fifty Two Only) per annum, INR.12,17,821/- (Rupees Twelve Lakhs Seventeen Thousand Eight Hundred Twenty One only) per month. The increment as and when approved by the Board shall be merit based and will take into account the performance as MD & CEO as well as that of the Company.
    c. Perquisites & Allowances: INR. 1,61,32,490 (Rupees One Crore Sixty-One Lakhs Thirty-Two Thousand Four Hundred Ninety Only) per annum.
    d. Performance Incentive: INR. 1,00,00,000 (Rupees One Crore Only) per annum.
    e. Onetime Joining Bonus: Retention Bonus of INR. 2,08,00,000 (Rupees Two Crore Eight Lakhs Only).
2. Overall remuneration: The aggregate of salary, allowances, perquisites and performance bonus in any one financial year shall not exceed the limits prescribed under Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act or any modifications or re-enactment for the time being in force.
3. Minimum remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Director & CEO, the payment of salary, performance incentives, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being be in force.

    Income-Tax in respect of the above remuneration will be deducted at source as per the applicable Income Tax Laws / Rules
4. MD & CEO shall be entitled to be paid / reimbursed by the Company all costs, charges & expenses including entertainment expenses as may be reasonably incurred by him for the purpose of or on behalf of the Company subject to such ceiling as may be decided by the Board on the recommendation of the Nomination & Remuneration Committee.

The Board has in their meeting held on February 7, 2020 resolved to appoint Mr. Sanjiv Navangul as a Managing Director and CEO of the Company for a period of Five (5) years from February 7, 2020 to February 6, 2025.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Sanjiv Navangul, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 8 and 9 of the Notice.

The Board recommends the resolution set forth in Item No. 8 and 9 for the approval of the Members.

Annexure to Notice: -

Details of the director seeking appointment in the 47th Annual General Meeting, asset out in Item no. 6, 7, 8, 9 & 10 of this Notice in terms of clause 1.2.5 of Secretarial Standard-2 on General Meetings:

Name of Director	Shweta Jalan	Pankaj Patwari	Sanjiv Navangul	Bharat Daftary
Director Identification Number	291675	8206620	2924640	11518
Date of Birth	January 29, 1976	March 22, 1980	December 26, 1964	January 12, 1956
Date of Appointment	February 7, 2020	February 7, 2020	February 7, 2020	February 7, 2020
Qualifications		C.A./ MBA IIM	M.B.A.	B.SC
Experience in Specific Functional Area	Wide experience in sourcing and negotiating transaction	Wide experience in Investment & Finance sector	Three Decades vast experience in Pharmaceutical industry	More than 3 decades experience in Pharmaceutical Industry
Directorship in other Companies	1. Advent India PE Advisors Pvt. Ltd	1. Manjushree Technopack Limited	1. BSVLife Pvt. Ltd	1. Hi Tech Lab Pvt. Ltd
	2. Crompton Greaves Consumer Electrical Limited	2. Gokaldas Intimatewear Pvt. Ltd	2. Aksipro Diagnostics P. Ltd	2. Aksigen Pharmaceuticals Pvt. Ltd
	3. Ask Wealth Advisors Private Limited	3. Aksipro Diagnostics P. Ltd		3. Advy Chemical Pvt. Ltd
	4. Ask Investment Managers Ltd			4. Rivaara Immune Pvt. Ltd
	5. Ask Property Investment Advisors Private Limited			5. Rivaara Labs Private Limited
	6. Ask Financial Holding Private Limited			
	7. Dixcy Textiles Pvt. Ltd			
	8. Manjushree Technopack Limited			
Number of shares held in the Company	NIL	NIL	NIL	20,79,104

Route Map & Land Mark:

Route map of the venue of 47th Annual General Meeting of the Members of Bharat Serums and Vaccines Limited scheduled to be held on Wednesday, August 26, 2020 at 03.00 p.m., at the Registered Office of the Company at 17th Floor, Hoechst House, Nariman Point, Mumbai 400021, Maharashtra, India. The landmark is – Opposite to Nariman Bhavan, Nariman Point, Mumbai.

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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]

Bharat Serums and Vaccines Limited

CIN: U24230MH1971PLC015134

Registered Office: 17th Floor, Hoechst House, Nariman Point, Mumbai 400021, Maharashtra, India.

Name of the member (s): ____

Registered address: ____

____

E-mail Id: ____

Folio No/ Client Id: DP ID: ____

I/We, being the member (s) of Equity shares of the above-named Company, hereby appoint

1. Name: ____

   Address: ____

   E-mail Id: ____

   Signature: ____, or failing him

2. Name: ____

   Address: ____

   E-mail Id: ____

   Signature: ____, or failing him

3. Name: ____

   Address: ____

   E-mail Id: ____

   Signature: ____.

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as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the Company, to be held on Wednesday, August 26, 2020 at 03.00 p.m., at the Registered Office of the Company at 17th Floor, Hoechst House, Nariman Point, Mumbai 400021, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. _______, ____________, ____________, ____________, ___________, ________.

Signed this ______ day of ____________ 2020.

__________________________ __________________________

Signature of shareholder Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix Revenue Stamp

ATTENDANCE SLIP

47th Annual General Meeting of the members of "Bharat Serums and Vaccines Limited" scheduled to be held on Wednesday, August 26, 2020 at 03.00 p.m., at the Registered Office of the Company at 17th Floor, Hoechst House, Nariman Point, Mumbai 400021, Maharashtra, India.

Regd. Folio No.____ /DP ID ____

Client ID/Ben. A/C____________________________________ No. of shares held____

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 47th Annual General Meeting of the Company scheduled to be held on Wednesday, August 26, 2020 at 03.00 p.m., at the Registered Office of the Company at 17th Floor, Hoechst House, Nariman Point, Mumbai 400021, Maharashtra, India.

____

_________________________________ ________________________________

Member's/Proxy's name in Block Letters Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

——————————-

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NOTES

NOTES

BSV

bringing life to life

REGISTERED OFFICE

17th Floor, Hoechst House, Nariman Point,
Mumbai – 400 021, Maharashtra, India.

Tel: +91-22-6656 0900

Fax: +91-22-6656 0933

corporate@bharatserums.com

CORPORATE OFFICE

3RD Floor, Liberty Tower, Plot No. K-10,
Behind Reliable Plaza Kalwa Industrial Estate,
Airoli, Navi Mumbai, Thane 400 708.

Tel: +91-22-4504 3456

Fax:+91-22-4504 3200

corporate@bharatserums.com