Kimia Biosciences Limited

(Formerly Known as Laurel Organics Limited)

Kimia
Chemistry of well-being

27th Annual Report
Financial Year 2019-20

Corporate Information

Board of Directors:

Mr. Sameer Goel
Managing Director

Mr. Jagdeep Dhawan
Independent Director

Mrs. Richa Gupta
Independent Director

Mr. Vipil Goel
Additional Director

Key Managerial Personnel:

Mr. Sanjay Gupta
Chief Financial Officer

Mr. Abhishek Kumar Pandey
Company Secretary & Compliance Officer

Registrar & Share Transfer Agent:

Beetal Financial & Computer Services (P) Limited
Beetal House, 3rd Floor, 99 Madangir,
New Delhi – 110062

Registered Office:

Vill. Bhondsi, Tehsil Sohna Distt.
Gurugram – 122012, Haryana
E-mail:
laurelorganicslimited@gmail.com

Statutory Auditors:

M/s Singhi & Co.
Chartered Accountants
(FRN: 302049E)

Secretarial Auditors:

M/s VLA Associates
Company Secreatries
New Delhi

Cost Auditors:

M/s Mahesh Singh & Co,
Cost Accountants(FRN:100441)

Listed with Stock Exchange:

BSE Limited
1st Floor, Rotunda Building, PJ Towers,
Dalal Street,
Mumbai – 400001

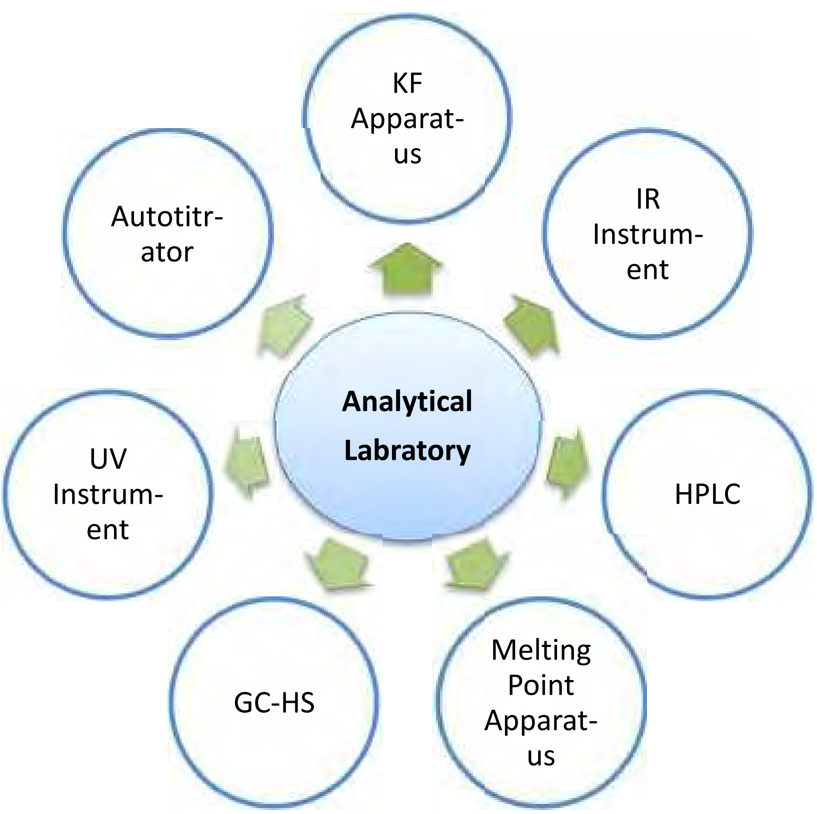
Banker:

State Bank Of India
HDFC Bank Limited

Corporate Office:

974, 9th Floor, Aggarwal Millenium
Tower-II, Netaji Subhash Place,
Pitampura, New Delhi – 110034

The objective of R&D program is to research and develop new improved drugs with the goal of addressing unmet patient needs with more meticulous resources and to establish a robust portfolio for a new generation of treatments. Kimia is committed to do significant investments in drug research and development in order to produce effective, safe and affordable



The team at R&D involves people with high skills and expertise having versatile Pharmaceutical exposures and are determined to make Kimia R&D as an advance Centre for Research.

The Research & Development Centre, having state of Art Facility with modern & well equipped machinery is approved by Department of Scientific and Industrial Research (DSIR) vide Registration No. TU/IV-RD/4410/2018 dated 22/01/2019.

R&D at Kimia has evolved much stronger and larger with increased infrastructure during the year 2019-2020 and has forged ahead in development of innovative technologies, cost improvements in existing products & indigenous development of key Raw materials.

The R&D strength has increased significantly to more than 50 scientistsand has commercialized more than 15 products while10-11 molecules are under development which is to be to be commercialized in next 6-12 months.

The under development molecules includes among others, Phenylepherine HCl, Delafloxacin Meglumine, Brivaracetam, Bilastine, Rivaroxaban, Refaximin, Montelukast, Ticagrelore, Remogliflozin, Mirabegron, Imeglemin, and some of the key raw materials which are currently being imported from other countries outside India so as to avoid dependency on them and save foreign exchange.

Another area of advancement is induction of Intellectual property team at the R&D in addition to already existing Chemical Research development, Analytical development, and Regulatory and Quality assurance teams making a complete set of teams needed to run the R&D Centre. The Intellectual property team has filed 4 patents and few more under process of filing for Kimia Biosciences Ltd.

CONTENTS

KIMIA BIOSCIENCES LIMITED

(Formerly known as LAUREL ORGANICS LIMITED)
Regd. Off. : Vill. Bhondsi, Tehsil Sohna, Gurgaon-122102, Haryana
E-mail: laurelorganicslimited@gmail.com**, Web:** www.laurel.co.in
CIN: L24239HR1993PLC032120**, Tel:** 011-47063600**, Fax:** 011-47063601/02

NOTICE OF THE 27TH (TWENTY SEVENTH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT The twenty seventh (27th) Annual General Meeting of Members of Kimia Biosciences Limited (formerly known as Laurel Organics Limited) will be held on Monday, the 28th September, 2020 at 03:30 PM through video conferencing or other audio visual means (VC/OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March 2020, along with the Reports of the Directors' and Auditors' thereon.

2. To appoint a director in place of Mr. Sameer Goel (DIN 00161786), Managing Director, who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **To approve the remuneration of the Cost Auditors for the financial year ending 31st March, 2021**

   To consider and, if thought fit, to give your assent or dissent to the following resolution as **Ordinary Resolution**:

   RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and pursuant to recommendation of Audit Committee, the remuneration payable to M/S Mahesh Singh & Co., Cost Accountants having Firm Registration Number 100441, appointed by the Board of Directors of the Company as Cost Auditors to conduct audit of the cost records of the Company for the financial year ending March 31, 2021, amounting to Rs. 40,000/- (Rupees Forty Thousand only) plus out of pocket expenses that may be incurred during the course of audit be and is here by approved and ratified.

   RESOLVED FURTHER THAT the approval of Company be accorded to the Board of Directors of the Company (including any committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties and doubts that may arise in this regard.

4. Appointment of Mr. Vipul Goel as a Director of the Company

To consider and if thought fit to pass the following resolution with or without modification as an Ordinary Resolution:

"RESOLVED THAT Mr. Vipul Goel (DIN: 00064274),who was appointed as an Additional Director with effect from 07th October, 2019, on the board of the company in terms of section 161 of the "Act", and under the provisions of Article of Association of the company and who holds office upto the date of this AGM, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of a director of the Company, and on the recommendation of Nomination & Remuneration Committee, be and is hereby appointed as Non Executive Non Independent Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Vipul Goel will not withdraw any remuneration during the tenure of his appointment and shall be liable to retire by rotation but if re-appointed, the same shall not be treated as break in the service.

RESOLVED FURTHER THAT any Director of the Company and Company Secretary are severally authorized to file relevant forms with the Registrar of Companies, Delhi and Haryana to do such other acts, deeds and things as may be considered necessary in connection with the above appointment".

By the Order of the Board of Directors
For Kimia Biosciences Limited

Sd/-
Sameer Goel
(Managing Director)
(DIN: 00161786)

Place: 01.09.2020
Date: New Delhi

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5 May, 2020 read with circulars dated 8 April, 2020 and 13 April, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the company is being held through VC / OAVM

2. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), setting out the material facts concerning the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the company. Since this AGM is being held pursuant to the MCA Circular No. 14/2020 dated April 08, 2020 through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for **appointment of proxies by the Members will not be available** for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and afterthe scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding),Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. Copies of Directors report and Auditors report, Financial Statements of the Company are enclosed.

6. Corporate Members intending to send their Authorized representative(s) to attend the meeting through VC/OAVM are requested to send a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting as required under section 113 of the Companies Act, 2013.

7. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company and Corporate Office of the Company during normal business hours on all days except Saturdays and Sunday, up to and including the date of the Annual General Meeting.

8. Members can inspect the register of directors and key managerial personnel and their shareholding, required to be maintained under section 170 of the Companies Act, 2013 and register of contracts or arrangements in which the directors are interested, to be maintained under section 189 of the Companies Act, 2013 during the course of the meeting .

9. The Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its shareholders through an electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the company's websites www.laurel.co.in, www.kimiabiosciences.com, and websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and Members are requested to support this Green Initiative by registering/updating their email addresses for receiving electronic communications.

10. The Company has appointed M/s Beetal Financial and Computer Services Private Limited, Delhi as the Registrar and Share Transfer Agents. Members are requested to register/update/notify immediately about any change in their address/e-mail address /bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to M/s Beetal Financial and Computer Services Private Limited, Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, Delhi 110062 either physically or by sending mail on beetalrta@gmail.com.

11. Members who still holding shares in physical form are advised to Dematerialize their shareholding to avail of the benefits of dematerialization which include easy liquidity since trading is permitted only in dematerialized form, electronic transfer, savings in stamp duty, prevention of forgery, etc.

12. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act are requested to write to the Company's RTA.

13. Subject to receipt of requisite number of votes, the resolution(s) at item no. 1 to 4 in Notice of AGM shall be deemed to be passed at the 27th Annual General Meeting of the Company scheduled to be held on Monday, 28th September, 2020

14. The Company has decided to close the Register of Members and the Share Transfer Register on September 22, 2020 up to September 28, 2020, in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Cut-off date to record the entitlement of shareholders for the purpose of e-voting is September 21, 2020

15. SEBI has mandated submission of Permanent Account Number (PAN) by every participant insecurities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their Demat accounts and members holding shares in physical form to the Company/ RTA.

16. Members, who have not registered their e-mail addresses so far, are requested to register their email address with the Company/ Depository Participant for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.

Voting through electronic means:

17. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and the Secretarial Standards on General Meetings (SS2) issued by the Institute of Company Secretaries of India. The Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

18. The facility for voting, through electronic voting system on the resolution(s) shall also be made available at the AGM and members attending the meeting through VC/OAVM who have not already cast their vote on the resolution(s) by remote evoting shall be able to exercise their right to vote on such resolution(s) at the meeting. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

19. The remote e-voting period commences on 25th September, 2020 (9:00 am) and ends on 27th September, 2020 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

20. The process and manner for remote e-voting are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https:// www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https:// eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

iv. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

v. Your password details are given below:

a. If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

c. How to retrieve your 'initial password'?

i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the

.pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

vi. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

vii. Now, you will have to click on "Login" button.

viii. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-voting. Then, click on Active Voting Cycles.

ii. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

iii. Select "EVEN" of company for which you wish to cast your vote.

iv. Now you are ready for e-Voting as the Voting page opens.

v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

vi. Upon confirmation, the message "Vote cast successfully" will be displayed.

vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to navneet@lexequipe.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – evoting@nsdl.co.in or pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with the voting by electronic means.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to beetalrta@gmail.com or laurelorganicslimited@gmail.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to evoting@nsdl.co.in or laurelorganicslimited@gmail.com or beetalrta@gmail.com.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at laurelorganicslimited@gmail.com.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at www.laurel.co.in. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

8. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990.

By the Order of the Board of Directors
For Kimia Biosciences Limited

SD/-
Sameer Goel
(Managing Director)
(DIN: 00161786)

Date: 01.09.2020
Place: New Delhi

EXPLANATORY STATEMENTS IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO THE PROVISIONS OF SECTION 102 OF COMPANIES ACT, 2013

Item No. 3

The Company is required under Section 148 of the Companies Act, 2013 (Act) read with Companies (Cost Records and Audit) Amendment Rules, 2016 to have the audit of its cost records conducted by a Cost Accountant in practice. The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s Mahesh Singh & Co., Cost Accountants (Firm's Registration No.) to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Amendment Rules, 2016 for the financial year ending on 31st March, 2021, at a remuneration of Rs. 40,000/- (Rupees Forty Thousand only) plus reimbursement of out-of-pocket expenses.
In accordance with the provisions of Section 148 of the Act read with the said Rules, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company.

The Board is of the opinion that of above transactions shall be in best interest of the company. None of the Directors, Key Managerial Personnel of the company and their relatives, are in any way concerned or interested in the said Resolution.

The Board of Directors recommend the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

Item No. 4

Mr. Vipul Goel (DIN: 00064274) appointed as an additional Director of the company w.e.f. 07th October, 2019, in accordance with the provisions of section 161 of the “Act”, and under the provision of Article of Association of the company. Pursuant to section 161 of the “Act” above director holds office up to the date of ensuing Annual General Meeting.

Mr. Vipul Goel (DIN: 00064274) is having requisite knowledge and experience of business areas of the company and his inclusion as a director of the company will strengthen the Board composition. The Board feels the presence of Mr. Vipul Goel on the Board is desirable and would be beneficial to the company.

The details required under Regulation 30 of Listing regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9the September 2015 is given below:

Sr. No	Particulars	Details
1	Remuneration last drawn.	Nil (He was appointed as an additional director, Non Executive Category).
2	Shareholding in the company held either by them or on a beneficial basis for any other persons	16 Equity shares of Re. 1/- Face value.
3	Brief Profile	As per Annexure "A"
4	Disclosure of relationship between directors	Mr. Vipul Goel and Mr. Sameer Goel are the Brothers.
5	The number of meetings of the Board attended during the Financial year 2019-20	11 (Eleven)
6	Other Directorships, Membership/Chairmanship of the Committee of the Board	Biotavia Pharm Limited, Zeneses Biosciences Private Limited, Actavia Pharmaceuticals Private Limited, Actavia Labs Private Limited, Biotavia Labs Private Limited There are no **Un-listed companies** in which he holds Chairmanship/ Membership of Committees of the Board. There are no **listed companies** in which he holds directorship and the membership of Committees of the board except of Kimia Biosciences Limited

Annexure-"A"

<u>Brief profile of Mr. Vipul Goel</u>

Mr. Vipul Goel, a Delhi University Commerce graduate, holds a stature in the Indian API market and holds strong multi-dimensional capabilities in the areas of Business Development, Product Development, Strategic Marketing and Operations Management. Currently Mr. Goel is Co-heading Biotavia group, a Group which deals in pharmaceutical products. He is responsible for providing overall leadership in achieving business & product development goals and formation of strategic partnerships in Business.

Except Mr. Sameer Goel, being brother of Mr. Vipul Goel, none of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

The Board recommends the resolution No. 4 would be passed as an ordinary resolution.

By the Order of the Board of Directors
For Kimia Biosciences Limited

SD/-
Sameer Goel
(Managing Director)
(DIN: 00161786)

Date: 01.09.2020
Place: New Delhi

BOARD'S REPORT

Dear Shareholders,
Kimia Bio-sciences Limited
(Formerly known as Laurel Organics Limited)

The Directors have the pleasure of presenting the Twenty Sixth (27th) Annual Report together with the Audited Financial Statement and Auditor's Report of your Company for the year ended 31st March, 2020.

FINANCIAL OUTLOOK

FINANCIAL HIGHLIGHTS

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Sales/ Income from operation	**10628.63**	**9391.73**
Total Income	10725.00	9524.41
Expenses	10602.40	9143.84
Profit before Tax	122.60	380.57
Less: Deferred Taxcharge/(credit)	(15.50)	(4.93)
Profit After Tax	138.10	385.50
Other comprehensive income for the year	(1.16)	(3.59)
Total Comprehensive income for the year	**136.94**	**381.91**
Earnings per Share (Basic)	0.32	2.64
Earnings per Share (Diluted)	0.28	1.39

COVID-19 PANDEMIC

As we march into a post-pandemic world, the next few months will be challenging but your company's robust business model, strong financials, and deep relationships with customers, will play a critical role in keeping us ahead of the curve. your company is poised to embrace the change and take the business to new heights. A humanitarian crisis of the scale of the COVID-19 pandemic presents times of great uncertainty and change. While industries and individuals are grappling with the challenges, the global pharmaceutical industry has taken center stage in the fight against COVID-19, its contribution ranging from vaccine development, research on repurposed and novel medicines, production of testing kits, and support to frontline workers and the needy.

In light of the COVID-19 pandemic, the pharma industry will also witness massive shifts in R&D, supply chain, operations, digital adoption and talent management. we are using this challenge as an opportunity to become more resilient, more efficient and more focused on bringing quality, affordable treatments to market faster to help improve outcomes for patients. Being a part of Essential Services, the pharma industry has been particularly responsive to the disruption caused by COVID-19 and taken exemplary and expedited steps to ensure business continuity. In fact, the Operations model of pharma companies has become a ready working model for resumption of manufacturing operations across industries. Overcoming input material disruptions and logistic challenges, our commercial and operational teams at Kimia are working closely with our customers and government agencies to ensure that we are able to maintain a consistent supply of our products, including those for the treatment of COVID-19

CHANGE IN ACCOUNTING TREATMENT

There has been no change in the accounting policies during the period under review.

SHARE CAPITAL

The Share Capital thereafter is as follows:

i. **Authorized share capital*:**

Particulars	Amount (Rs.)
Equity Shares 7,73,31,680 of face value of Re. 1/- each	7,73,31,680
Compulsory Convertible Preference Share 65,18,320 of Re. 1/-each	65,18,320
0.1% Redeemable Non-Convertible Cumulative Preference Share 80,00,000 of Rs. 10/-each	80,000,000
Total Authorized Share Capital	**163,850,000**

ii. **Issued, Subscribed and Paid-up Share capital**

Particulars	Amount (Rs.)
4,63,53,951 Equity Shares of Re. 1/- each	4,63,53,951
9,58,790 Compulsory Convertible Preference Share of Re. 1/- each	9,58,790
80,00,000 , 0.1% Redeemable Non-Convertible Cumulative Preference Share of Rs. 10/- each	80,000,000

Note:

1. As at the end of the financial year, the issued, subscribed paid-up share capital remains as above.
2. During the year, the Company has reclassified its authorised share capital of equity share of Rs. 400 Lakhs to 01% Redeemable non-convertible cumulative preference shares as disclosed above. The

Company has filed an application with RoC,Delhi for re-classification of authorized share capital on October 22, 2019 which has been rejected on November 14, 2019. The Company has filed an appeal before Hon'ble High Court, Delhi on the above matter.

3. In FY 2017-18, the Company has issued 26,20,000 Fully Convertible Warrants ("Warrants") having Face Value of Rs. 10/- each, for cash at an issue price of Rs.30 per Warrant (including a premium of Rs. 20 per Warrant) ("Warrant Issue Price") on preferential basis to the persons belonging to Promoter & Non Promoter category ("Proposed Warrant Allottees"), each convertible into, or exchangeable for, at an option of the Proposed Warrant Allottee, upon the Scheme of arrangement between Kimia Bioseiences Ltd. and Laurel Organics Ltd. becoming effective and subject to a maximum tenure of eighteen months from the date of their allotment i.e. January 31, 2018, in one or more tranches, Ten Equity Shares of face value of Re. 1/- (Rupee One only) at a premium of Rs. 2/-each on such terms and conditions as may be determined by the Board. Company has received entire amount during the year against the warrant issue price. During the year, the Company has issued and allotted 262,00,000 equity shares of Re. 1/- each at a premium of Rs. 2/- per share against share warrants.
4. During the year the Company has converted 55,59,530 compulsory convertible preference shares into equity share pursuant to Scheme of Amalgamation approved by Hon'ble NCLT Chandigarh. After conversion, each holder of equity shares have the same rights as defined in (a) above.
5. Each preference share holder is eligible for equal amount of dividend, in case dividend is declared by the company on other class of shares as proposed by the Board of Directors which is subject to the approval of the shareholders in the ensuing Annual General Meeting. Preference shares shall rank senior to all present and future preference shares and/or equity shares issued by the Company. Preference shares shall be redeemed at the option of the Company, at any time within a period not exceeding ten years from the date of allotment on May 17, 2016 under the provisions of the Companies Act. During the year, the Company has further issued 40,00,000 0.1% redeemable non-convertible cumulative preference shares of Rs. 10 upon conversion of loan based on approval of the Board and its members in the AGM held on September 28, 2019.

HOLDING, SUBSIDIARY, ASSOCIATE COMPANIES

During the period under review company has no ssubsidiary, holding or Associate company**.**

DIVIDEND

Your Directors have decided to reinvest the earnings in the growth of business and for this reason, have decided to not to recommend any amount for declaration of Dividend for the year under review

Further, there were no amounts of unclaimed dividend to be transferred to Investor Education & Protection Fund **(**IEPF**)** as per the provisions of Investor Education and Protection Fund Authority **(**Accounting, Audit, Transfer and Refund**)** Rules, 2016**.**

TRANSFER TO RESERVES

Entire amount of Net Profit of Rs. 138.10 has been transferred to the Reserves. No amount has been transferred or proposed to be transferred to any other reserves.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

LOANS, GUARANTEES AND INVESTMENTS

In compliance with provisions of Section 134**(**3**)(**g**)** of the Act, particulars of loans, guarantees, investments and securities given under Section 186 of the Act are given in the notes to the Financial Statements forming part of this Annual Report**.**

UTILIZATION OF FUNDS

The Company has receivedfunds in the year 2019**-**20 by issuing equity shares pursuant to conversion of 2620000 warrants according to Scheme of Amalgamation approved by NCLT and utilized for the purposes of the Business of the Company**.**

BUSINESS OUTLOOK

STATE OF COMPANY’S AFFAIRS

The company has achieved turnover of Rs**.** 10628**.**63 Lakhs during the financial year with a year to year growth of 13**%** with a net profit of Rs**.**138**.**10 lacs**.** The net profit has declined compare to previus year due to cumulative imapct of more incurrence of revenue expenditure on Research & development, increase in fixed manpower cost to meet GMP requirements, one time major repair in Plant & mach taking long term provisions and losses in foreign exchange**.**

The Company has been consistently practicing prudent finance and working capital management. The strong focus on working capital and liquidity management has helped timely generation of sufficient internal cash flow to invest in long term strategic objectives of the Company.

The Company has revamped its Plant in accordance with Good Manufacturing Practice (GMP) Standards for pharmaceutical productions in past & got certification from State FDA, Haryana and continuously upgrading it to meet the international regulatory requirements. During the year, the company has been granted 'Site certificate under WHO-GMP certification Scheme' by State Drug Controller Haryana, Food and Drug Administration Haryana Panchkula for complying with Goods Manufacturing Practices for Pharmaceutical products for Starting material(s) namely 'Active pharmaceutical Ingredients(API) Bulk Drugs' for Categories- 'Non Beta Lactum' for Production, Packing and Quality Control activities. This certificate is valid upto 17.11.2022.

Brief details of the license obtained- Grant of Site Certificate (As per WHO-GMP Certificarion Scheme) for manufacturing of Active Pharmaceutical Ingredients, Non Beta Lactum.

- Relevance of such license to the listed entity- The Company shall initiate the process of manufacturing final product bulk drugs – Active Pharmaceutical Ingredients (APIs) and can market its products overseas makets covering WHO certifications.

- Period for which such license is valid- 3 years i.e. up to 17-11-2022.

The Company has Research & Development (R&D) at its plant located at Village Bhondsi, Tehsil Sohna, Distt. Gurgaon, Haryana-122102.

The Company has planned capital expenditure to the tune of approx. 15-20 Crores during Financial Year 2020-21 for providing and upgrading facilities such as new equipments, Clean rooms (Powder processing units), micro labs, separate quality control and assurance, & warehouse to meet the regulatory requirements of international level and balancing equipments to enhance its manufacturing capacities. The ongoing expenditure is to aim at achieving the vision of the company for enhancement of capacities and expand the export market globally.

CHANGE IN NATURE OF BUSINESS

There has been no change in nature of business activity of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

No significant and material orders were passed during the period under review.

GOVERNANCE OUTLOOK

CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance aims to ensure establishing and practicing a sound system of good corporate governance which will not only meet Company's objectives but will render assistance to the management in managing the company's business in an ethical, compliant, efficient and transparent manner for achieving the corporate objectives so as to provide services to the utmost satisfaction of the customer and to conduct business in a manner which adds value to the Company's brand and all its stakeholders like shareholders, employees, customers, suppliers, vendors etc.

CORPORATE GOVERNANCE REPORT

In terms of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations), the Paid-up Equity Share Capital of the Company is less than 10 crore and the Net worth is less than Rs. 25 crore as on March 31, 2019 as well as on March 31, 2020. Thus, the requirement to submit Corporate Governance Report is not applicable on the Company.

DEPOSITORY SYSTEM

The Company has entered into an agreement with the National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL) to enable shareholders to hold shares in dematerialized form. The Company also offers simultaneous dematerialization of the physical shares lodged for transfer.

The ISIN of the Equity Shares is INE285U01025.

LISTING

The Equity Shares of your Company are listed on BSE Limited having Scrip Code 530313.

Further, the Company timely paid the Annual Listing Fees to BSE Limited.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Vipul Goel, Director of the company has vacated his office from the Board with effect from 28/09/2019. Mr. Vipul Goel has been appointed as additional Director retire by rotation on the Board of the company w.e.f. 07/10/2019 under Non-Executive Promoter Category.

The Board of Directors ("Board") comprises of optimum number of Executive, Non-Executive, and Independent Directors as required under applicable legislations. As on date of this Report, the Board consists of four (4) Directors comprising one (1) Managing Director and one (1) Non-Executive Director and two (2) Independent Directors including one (1) Independent Woman Director as required under Section 149 of the Companies Act, 2013 & rules made thereunder and Regulation 17 of the Listing Regulations.

BOARD MEETINGS

During the year, Eleven Board Meetings were held on 16.04.2019, 22.05.2019, 19.06.2019, 12.08.2019, 26.08.2019, 07.10.2019, 24.10.2019, 10.12.2019 and 28.01.2020, 13.02.2020 and 19.03.2020.

Name of Director	Designation/ Category	Number of other directorship held	Number of other Board Committees of which member/ chairperson	Number of Board Meetings held during the tenure	Board Meetings attended	Attendance at the last AGM
Mr. Sameer Goel	Chairman & Managing Director/ED	NIL	NIL	11	11	Yes
Mr.JagdeepDhawan	Independent Director	1	NIL	11	11	Yes
Mrs. Richa Gupta	Independent Director	NIL	NIL	11	11	Yes
Mr. Vipul Goel (ceases w.e.f. 28.09.2019 and re-appointed w.e.f. 07.10.2019)	Additional Director/ NED	5	NIL	11	11	Yes.

DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI Listing Regulations 2015.

COMMITTEES OF BOARD

AUDIT COMMITTEE

The constitution of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013. During the year under review, seven meetings of the Committee were held on 16.04.2019, 22.05.2019,12.08.2019, 26.08.2019, 24.10.2019, 28.01.2020, and 13.02.2020

The composition of the Committee is given in the table below:

Name & Designation	Category of Directorship
Mr. JagdeepDhawan	ID
Mrs. Richa Gupta	ID
Mr. Sameer Goel	MD

The Chairman of the Committee attended the last AGM of the Company. The Company Secretary acts as the Secretary to the Committee. The Statutory Auditors, Internal Auditors, Secretarial Auditors and other related functional executives of the Company also attended the meeting when required. Further, the Board has accepted all the recommendation of Audit Committee during the period.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee recommends the appointment of Directors and remuneration of such Directors other than Independent Directors**.** During the year under review, five meetings of the Committee were held on 16.04.2019, 22.05.2019, 26.08.2019, 07.10.2019 and 19.03.2020.

The composition of the Committee is given below**:**

Name & Designation	Category of Directorship
Mr. JagdeepDhawan	NED-ID
Mrs. Richa Gupta	NED ID
Mr. Vipul Goel	NED

The Company Secretary provided the secretarial support to the Committee.

NOMINATION AND REMUNERATION POLICY

In compliance with Section 178(3) of the Act, the Board framed a "Nomination, Remuneration and Evaluation Policy" on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director. Your Directors ensures that the Company follows a Policy on Remuneration of Directors and Senior Management Employees. The main objective of the said policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and Senior Management employees.

The policy of the Company on Director's appointment and remuneration is uploaded on to the Company's website and the same is available at www.laurel.co.in at the following path: http://www.laurel.co.in/code-of-conduct.html.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Securities Transfer & Stakeholders Relationship Committee considers and oversees resolution of grievances of security holders and investors of the Company.

During the year, the Committee met Seventeen times on 05.04.2019, 11.04.2019, 02.05.2019, 08.05.2019, 18.05.2019, 31.05.2019, 07.06.2019, 14.06.2019, 28.06.2019, 08.07.219, 17.07.2019, 25.07.2019, 18.09.2019, 25.10.2019, 06.12.2019. 27.01.2020 and 19.03.2020. Company effectuated all requests for transfer of shares, consolidation and issue of duplicate share certificate, within prescribed time limits.

The composition of the Committee is given in the table below:

Name & Designation	Category of Directorship
Mr. JagdeepDhawan	ID
Mrs. Richa Gupta	ID
Mr. Vipul Goel	NED

Company Secretary provided secretarial support to the Committee.

VIGIL MECHANISM/WHISTLE-BLOWER POLICY

In compliance with the provisions of Section 177(9) &(10) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 22 of Listing Regulations, Company formulated a vigil Mechanism for Directors and employees to report concerns including any unethical behavior, actual or suspected frauds taking place in the Company for appropriate action thereon.

The Whistleblower policy has been hosted on Company's website viz. www.laurel.co.in

RISK MANAGEMENT POLICY

The Company has developed and implemented the Risk Management Policy and the Audit Committee of the Company reviews the same periodically.The Company recognizes that risk is an integral and unavoidable component of business and hence is committed to managing the risk in a proactive and effective manner. The Company's Management systems, organizational structures, processes, standards, code of conduct and behaviors together form the Risk Management System of the Company and are managed accordingly.

The common risks faced by the Company include Raw Material Procurement Risk, Environment & Safety Risk, Market Risk, Technology risk, Business Operational Risk, Reputation Risk, Regulatory & Compliance Risk, Human Resource Risk Working Capital and Business continuity Risk. Your Company has well defined processes and systems to identify, assess & mitigate the key risks. A platform for exception reporting of violations is in place which is reviewed regularly and remedial measures are being undertaken immediately.

BOARD EVALUATION

In compliance with the provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts)Rules, 2014, the Board carried out annual evaluation of its own performance, that of its Committees and individual directors.

The performance of the Board and its committees and individual directors were evaluated by the Board after seeking inputs from all the Directors on the basis of criteria, such as composition and structure of the Board, quality of deliberations, effectiveness of the procedures adopted by the Board, participation of the Board and committee meetings and governance reviews etc.

FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS-

The Independent Directors of the Company have been updated with their roles, rights and responsibilities in the company to enable them to familiarize with Company's procedures and practices.

The Company endeavors to familiarize the Independent Directors with the strategy, operations and functioning of the Company and also with changes in the regulatory environment having significant impact on the operations of company and the Pharmaceutical Industry as a whole.

RELATED PARTY TRANSACTIONS

All the related party transactions entered into by the Company during the year were on arm's length basis and in the ordinary course of business. Summarized particulars of contracts or arrangements entered into by the company with related parties are disclosed in Note No.38 of Notes to Financial Statements for the year.

DIRECTOR'S RESPONSIBILITY STATEMENT

a) That in preparation of the Annual Accounts for the year ended March 31, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b) That the directors had selected such accounting policies and applied consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2020 and the profits of the Company for the year under review;

c) That proper and sufficient care has been taken for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) That the annual accounts for the year ended March 31, 2020, have been prepared on a 'going concern basis.'

e) That proper internal financial control was in place and that such internal financial controls are adequate and were operating effectively.

f) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

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

The Policies on Code of Conduct and Prevention of Workplace Harassment is displayed on company's website viz**. www.laurel.co.in** to create and provide an environment that is free from discrimination, intimidation, abuse & harassment, especially to protect the integrity and dignity of woman employees.

Your Directors state that during the year under review, no cases were filed pursuant to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013

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

The disclosures to be made under sub-section **(**3**)** **(**m**)** of Section 134 of the Companies Act, 2013 read with Rule 8 **(**3**)** of the Companies **(**Accounts**)** Rules, 2014 by your Company are explained as under**:**

(A) CONSERVATION OF ENERGY-	
(i) the steps taken or impact on conservation of energy	The Company has pharmaceutical manufacturing unit for Bulk Drug Intermediates, APIs formulations, requires normal consumption of electricity. The Company takes all necessary steps to reduce the consumption of energy.
(ii) the steps taken by the company for utilizing alternate sources of energy	
(iii) the capital investment on energy conservation equipment	
(B) TECHNOLOGY ABSORPTION-	
(i) the efforts made towards technology absorption	The Company is engaged in the process of updating latest Technology**(**ies**).**
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	**<u>Processes developed for APIs</u>**: • Vildagliptin (For Treatment of Diabities) • Obeticholic Acid (Used in chronic liver diseases) • Fimasartan trihydrate (to cure hypertension and heart failure)
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
(a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	**<u>Cost Improvements:</u>** • Luliconazole by indigenous development of KSM • Benidipine • Benfotiamine Anhydrous (stable from) • Acotiamide **<u>Key raw materials made In-House:</u>** • Ethyl 2 Amino 3 Thiazole 4 corboxylate (Acotiamide

	Intermediate) • DIPA Oxalate (one of the Raw material of Citicholine) • L-prolinamide KSM of vildagliptin •
(iv) the expenditure incurred on Research and Development	Revenue Exp 418.18 Lakhs, Capital Exp 110.30 Lakhs

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO-

Thetotalforeignexchangeused andthetotalforeignexchangeearned during the year as compared to the previous financial yearhas been provided hereunder:

Foreign Exchange Earnings & Outgo	Current Year (2019-20)	Previous Year (2018-19)
Inflow	447.23 Lakhs (USD 6.29 Lakh)	24.75 Lakhs (USD 0.35 Lakh)
Outflow	6096.99 lakhs(USD-85.14 lakhs)	5942.60 lakhs(USD-84 lakhs)

HUMAN RESOURCES

Your Company firmly believes that human resources are invaluable assets of the Company. Over the time, the Company has changed to adapt and evolve with the changing economic landscape, while keeping its core value firmly entrenched. The Human Resource Department of the organization has strategic and functional responsibilities for all of the Human Resource disciplines in the changing scenario.

On the Industrial front, the Company continued to foster cordial Industrial Relations with its workforce during the year.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on Board and General Meetings. The Company has complied with all the applicable provisions of the Secretarial Standards.

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company**.**

PARTICULARS OF EMPLOYEES

The information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) &(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company forms part of this report as **Annexure-V-A**

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copy of Code of Conduct as applicable to the Directors (including Senior Management of the Company) is uploaded on the website of the Company www.laurel.co.in and www.kimiabiosciences.com.

The Managing Director of the Company has issued a Declaration that the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management. As there is no Chief Executive Officer in the Company, this Declaration has been issued by the Managing Director of the Company. The Declaration is appended to this Report at the end of Management Discussion and Analysis Report as **Annexure IV**.

CEO/CFO CERTIFICATION

In accordance with the Regulation 17 (8) read with Part B of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to corporate governance norms. As the Company has no post of CEO, the said Certificate has been signed by the Managing director of the Company along with CFO. The said certificate forms an integral part of this Annual Report as **Annexure III.** The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

CODE FOR PREVENTION OF INSIDER TRADING

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Further a Code of Fair Disclosure and Prevention of Insider Trading Code under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 have been adopted and displayed on the website of the Company www.laurel.co.in and www.kimiabioscences.com.

These Codes lay down guidelines vide which it advises the designated employees and connected people on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and caution them of the consequences of violations.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

In compliance with Regulation 34(3) read with Schedule V(B) of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis, forms part of this report as **Annexure-I**.

AUDIT AND AUDITOR'S OUTLOOK

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

In the 24th Annual General Meeting held on 28th September, 2017, M/s**.** Singhi & Co**.**, Chartered Accountants, New Delhi **(**FRN 302049E**)** had been appointed as Statutory Auditors of the Company for a period of five **(**5**)** years until the conclusion of 29th Annual General Meeting.

The report of the Statutory Auditors along with Notes on Financial Statements for the year ended March 31, 2020 is enclosed with this report, which is self-explanatory and do not call for any further comments**.** There is no qualified opinion in Audit Report.

Further, during the year, the Auditors' has not reported any fraud u/s 143(12) of the Companies Act, 2013 and rules made there under.

INTERNAL FINANCIAL CONTROLS

The internal financial controls with reference to the Financial Statements commensurate with the size and nature of business of the Company. Your Company continuously invests in strengthening the internal control processes and systems. The internal control process and systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. Procedures to ensure conformance with the policies, processes and standards have been put in place covering all activities.

Implementations of recommendations from various audit reports are regularly monitored by the senior management. Internal and statutory audit reports and findings, including comments by the management, if any, are periodically placed before the Audit Committee of the Board of Directors.

Apart from in-house Internal Audit function, to strengthen and maintain transparency, the Company has also appointed M/s**.** Jitendra K Agarwal & Associates, Chartered Accountants, **(**FRN No**.** 318086E**)**, as Internal Auditors of the Company in accordance with Section 138 of the Companies Act, 2013, to examine the effectiveness of internal control system.

SECRETARIAL AUDITOR'S REPORT

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s. VLA & Associates, Practicing Company Secretaries, New Delhi has been appointed as Secretarial Auditors of the Company for the financial year 2019-20.

The report of the Secretarial Auditors for the year ended March 31, 2020 is enclosed as **Annexure-II** to this report..

As to other, the report is self-explanatory and do not call for any further comments.

COST AUDITORS

The Board of Directors on the recommendation of the Audit Committee, appointed M/s. Mahesh Singh & Co, Cost Accountants(FRN:100441), as the Cost Auditors of the Company for the Financial Year 2019-20 under Section 148 of the Companies Act, 2013.

M/s Mahesh Singh & Co, Cost Accountants(FRN:100441), have confirmed that their appointment is within the limits of Section 141(3) (g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013.

The Company has also maintained relevant cost accounts and records as specified under Section 148(1) of the Companies Act, 2013.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the members in a General Meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s.Mahesh Singh & Co, Cost Accountants, is included in the notice convening the 27th Annual General Meeting.

MATERIAL CHANGES AND COMMITMENT

There are no material changes and commitments affecting the financial position of the Company between the end of financial year of the Company and the date of this report.

EXTRACT OF ANNUAL REPORT

Pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013 *(*‘the Act’*)* and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return of the Company is available on the website under ‘Investor Information’ section of the company website i.e. **http://laurel.co.in/**

ACKNOWLEDGEMENT

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company’s executives, staff and workers.

Your Company has been able to operate efficiently during the year financial year because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilisation of the Company’s resources for sustainable and profitable growth. To them goes the credit for all of the Company’s achievements.
And to you, our Shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

For and on behalf of the Board

KIMIA BIOSCIENCES LTD
(Formerly LAUREL ORGANICS LIMITED)

	Sd/-	Sd/-
Place : New Delhi	**SAMEER GOEL**	**VIPUL GOEL**
Date : 01 September, 2020	Managing Director	Additional Director
	(DIN: 00161786)	*(DIN: 00064274)*

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

India is the largest provider of generic drugs globally. Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Global Pharmaceutical Industry:

The global pharmaceutical market, estimated at US$1.2 Trillion in 2019, is expected to expand at a Compounded Annual Growth Rate (CAGR) of 3-6% to US$1.5-1.6 Trillion by 2024. Much of this is likely to be driven by the volume growth in pharmerging markets and the launch of high-end specialty innovative products in developed markets. However, overall tightening in pricing and patent expiry in developed markets could offset this growth.

Regions	2019 (in US$ Bn)	2014-2019 (CAGR)	2024 (in US$ Bn)	2019-2024 (CAGR)
Developed	822	3.8%	985-1,O15	2-5%
Pharmerging	358	7%	475-505	5-8%
Rest of the world	71	4.8%	85-95	2-5%
Global	**1,250**	**4.7%**	**1570-1600**	**3-6%**

Outlook, implications and emerging trends:

The US and pharmerging markets will remain key constituents of the global pharmaceutical industry – the former owing to size, and latter due to their growth prospects. Pharmaceutical spending in the US is estimated to grow at 3-6% CAGR between 2019 and 2024, to reach US$605-635 Billion by 2024, while the spending in pharmerging markets, including China, is likely to grow at 5-8% CAGR to US$475-505 Billion by 2024. These two regions will be key contributors to global pharmaceutical growth

Active Pharmaceutical Ingredients (API):

The global API market is projected to reach approximately US$232 Billion by 2024, growing at a CAGR of about 6%. Some key factors driving this is the spike in infectious diseases and chronic disorders. The demand is being driven by consumption for manufacturing formulations in the anti-infectives, diabetes, cardiovascular, analgesics and pain management segments. Another factor is the rising use of APIs in novel formulations to pursue niche therapies like immunology, oncology, biologics and orphan drugs.

GLOBAL PHARMA MARKET:

The global pharmaceutical industry revenue is forecasted to reach an estimated $1,550.0 billion by 2024, with good growth over the next five years (2019-2024). The industry is expected to register growth led by aging population, changing lifestyles, hectic daily routine, unhealthy eating habits, increasing incidence of chronic diseases across the entire global population providing growth opportunities for the industry players.

The industry is engaged in discovery, development, manufacture, and marketing of prescription drugs. Industry products include ethical drugs and consumer healthcare but animal healthcare drugs are not included.

The global pharmaceutical market faces major challenge from increasing investment and strict regulation. Changing lifestyles and the fast socio-demographic shift due to urbanization in both developed and growth markets globally are expected drive the demand. The ability to create new technology and innovative drugs is a key driver for success in this market.

North America is projected to lead the pharmaceutical industry. Anti Cancer industry is expected to record the highest growth during the forecast period. ROW industry is expected to witness the highest growth during 2019-2024. Government initiatives in Brazil to encourage drugs industries by providing free pricing policies and special financial investment options will attract the industry players. APAC holds good growth potential for the future.

The study provides an overview of the global pharmaceutical industry by tracking 13 market segments of that industry in four geographic regions. Thus, a total of 52 segments of the global pharmaceutical industry are tracked. The report studies manufacturers of bone, respiratory, immunology and dermatology, cardiovascular, diabetes & obesity, urinary/kidney diseases, gastrointestinal, neurosciences, infectious diseases, ophthalmology, oncology, women's health/ endocrine, vaccines, consumer health/OTC, and others providing a five-year annual trend analysis that highlights market size, profit and cost structure for NA, Europe, APAC, and ROW. The report also provides a forecast, addressing market opportunities for next five years (2019-2024) for each of these regions.

MARKET SIZE

The country's pharmaceutical industry is expected to expand at a CAGR of 11 per cent over 2020-23 to reach US$ 60 billion. India's pharmaceutical exports stood at US$ 20.58 billion in FY 19-20 and are expected to reach at US$ 22 billion in FY 20-21.

Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US$ 150 billion by 2025.

R&D

During the 2009-2016 period, the compound annual growth rate of global R&D spending was 2.0%; during the 2017-2023 periods, the rate will grow at 3.2%. The year-over-year increase, however, will remain around 3%.

The global spending on medicines is forecasted to reach close to US$ 1.8 trillion by 2022, an increase of about 36% over the 2017 level, growing at 4 to 8% only slightly slower than 6.2% growth over prior five years. Developed market spending growth will be driven by original brands and innovation in specialty medicines while Pharma emerging markets will continue to be driven by off patent generic products. Innovation in specialty medicines will continue lifting the share of global spending from 33% in 2017 to 37% in 2023 driven by the adoption of new breakthrough medicines.

GOVERNMENT INITIATIVES

Some of the initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- India plans to set up a nearly Rs 1 lakh crore (US$ 1.3 billion) fund to provide boost to companies to manufacture pharmaceutical ingredients domestically by 2023.

- In November 2019, the Cabinet approved extension/renewal of extant Pharmaceuticals Purchase Policy (PPP) with the same terms and conditions while adding one additional product namely, Alcoholic Hand Disinfectant (AHD) to the existing list of 103 medicines till the final closure/strategic disinvestment of Pharma CPSUs.

- Under Budget 2020-21, Rs 65,012 crores (US$ 9.30 billion) has been allocated to the Ministry of Health and Family Welfare. The Government has allocated Rs 34,115 crores (US$ 4.88 billion) towards the National Health Mission under which rural and urban people will get benefited.

- Rs 6,400 crores (US$ 915.72 million) has been allocated to health insurance scheme Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY).

- As per Economic Survey 2019-20, Government expenditure (as a percentage of GDP) increased to 1.6 per cent in FY20 from 1.2 per cent in FY15 on health.

•The National Health Protection Scheme is the largest Government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to Rs 5 lakh(US$ 7,723.2) per family per year for secondary and tertiary care hospitalization. The programme was announced in Union Budget 2018-19.

•The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy to stop any misuse due to easy availability. The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

OVERSEAS MARKET

The development of the business in overseas markets is a critical factor in determining future ability to sustain or increase global product revenues. This poses various challenges including volatile economic conditions, IP issues, developed market compliance standards, inadvertent breaches of local/ international law and interventions by national governments or regulators restricting access to market and/or introducing adverse price controls. However, the Company carefully monitors the business scenarios of these markets, prepares the business plan and undertakes various researches to reduce the risk at the minimal level.
In US, there is a continuing trend towards consolidation of certain customer groups such as wholesale drug distribution and retail pharmacies as well as emergence of large buying groups. The consolidation may result into these groups gaining additional purchasing leverage and consequently increasing the product pricing pressures. Additionally, the emergence of large buying groups representing independent retail pharmacies, prevalence and influence of managed care organizations and similar institutions potentially enable those groups to attempt to extract price discounts on the Company’s products. The result of such developments could affect the sales volumes and price realizations of the Company’s products on an overall basis.

Road Ahead

Medicine spending in India is projected to grow 9-12 per cent over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.
Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.
The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programs, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

CURRENCY FLUCTUATION RISKS

Currency risks mainly arise out of overseas operations and financing activities. Exchange rate fluctuations could significantly impact earnings and net equity because of invoicing in foreign currencies, expenditure in foreign currencies, foreign currency borrowings and translation of financial statements of overseas subsidiaries into Indian rupees. The Company has a defined foreign exchange risk management framework to manage these risks excluding translation risks.
New technologies' impact on Pharma: An ongoing issue for the pharmaceutical industry is how new technologies, particularly digital-related technologies, will impact drug development and commercialization. The Company reports emerging technologies in healthcare as a whole, such as artificial intelligence, 3D printing and their impacts on business models, operations, workforce needs and cyber security risks as well as the positive impact of a digitized supply chain in reducing manufacturing costs.

OPPORTUNITIES AND THREATS

The Pharmaceutical industry is a highly dynamic and competitive market. The Indian Pharma Industry is faced with significant export opportunities. Marketing alliances for MNC products in domestic and international market is another emerging opportunity.India can become a niche player in global pharmaceutical R&D and possibilities exist for expansion of biotechnology generics (also known as bio-similar) and biopharmaceuticals.
However, product patent regime poses serious challenge to domestic industry unless it invests in research and development. R&D efforts of Indian pharmaceutical companies are hampered by lack of enabling regulatory requirement. This threat does not affect Kimia Biosciencesas a large portion of capital is invested in R&D for the company. The company has volatile and dynamic market strategies to cope with various market changes and challenges.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company has received WHO-GMP certificate for its manufacturing site at Gurugram under WHO GMP Certification Schemes for manufacturing Active Pharmaceutical Ingredients (API) Bulk Drugs.

During the year under review, manufacturing operation has been started, and practices for manufacturing, Research & Development (R&D) segment of the organization, were followed at the plant located at Village Bhondsi, Tehsil Sohna, Distt. Gurgaon, Haryana -122102.

OUTLOOK

The Company has commenced building new formulations and APIs manufacturing facility and the capacities are built in anticipation of demands.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control framework is designed specifically to ensure effectiveness and efficiency of operations, reliability of financial reporting and compliance of laws and regulations. A proper and extensive system of internal control is practiced by the Company, to ensure that all its assets are safeguarded and protected, and that transactions are authorized, recorded and reported properly.
Internal Audit and control system evaluates adequacy of internal controls, adherence of processes and procedures, compliances of regulatory & legal requirements. The Internal Audit program is periodically reviewed by Audit Committee in order to keep preventive checks on compliance risks. The Company is also following procedures in all its departments with special emphasis on manufacturing and quality assurance activities.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The sale of manufactured goods done by company is 10628.63 Lakhsduring the year 2019-20 in comparison to 9391.73 Lakhs for the year 2018-19.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

In the context of people employed, there have been significant increase in workforce employed during the financial year 2019-20 as compared to the previous year.

<u>Details of significant changes in the Key Financial Ratios</u>

Ratios	31/Mar/20	31/Mar/19	% change	Explanation for change >25%
i) Debtors Turnover	**3.20**	**3.20**	**0%**	
(ii) Inventory Turnover	**5.84**	**7.31**	**-20%**	
(iii) Interest Coverage Ratio	**1.48**	**2.91**	**-49%**	Less profits due to Incerease on R&D Expenditure, Foreign Exchange fluctuation losses & increase in othe Operating exp. For long term benefits resulted in lower coverage ratio.
(iv) Current Ratio	**1.58**	**1.56**	**1%**	
(v) Debt Equity Ratio	**2.29**	**4.84**	**-53%**	Infusion of funds due to conversion of share warrants into equity shares with premium substantially enhanced company's net woth has improved DER

(vi) Gross Profit Margin (%)	**24.5%**	**24%**	**1%**	
(vii) Operating Profit Margin (%)	**3%**	**5%**	**-45%**	.OP & NP margin reduced as a result of increase in R&D Expenditure, Foreign Exchnage loss, increase in salaries & one time plant refurbishment for regulatory long term gain purposes .
(viii) Net Profit Margin (%)	**1.3%**	**4%**	**-68%**	

Detail of changes in the Return on Net Worth

Ratios	**31/Mar/20**	**31/Mar/19**	**% change**
Change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof	**10%**	**63%**	**-84%**

Date: 26.06.2020
Place: New Delhi

ANNEXURE II

Form MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Kimia Biosciences Limited
(CIN: L24239HR1993PLC032120)
Village Bhondsi, Tehsil Sohna
Distt Gurgaon, Haryana- 122102

Ihave conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kimia BiosciencesLimited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Boardprocesses and compliancemechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- **Not applicable during the audit period**;

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

a. The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015;

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

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

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- Not applicable during the audit period;

f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable during the audit period;

g. 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;

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable during the audit period and;

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable during the audit period.

vi. Other laws as applicable specifically to the Company:

a. The Drug and Cosmetics Act, 1940; and
b. The Narcotic Drugs and Psychotropic Substances Act, 1985.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) with respect to Board and General Meetings.

During the yearunder review the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

I 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 compositionof the Board of Directors that took place during the period under review were carried out incompliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Major decision at Board meetings and Committee meetings were carried through and recorded in the minutes. However, there was no such instance of any dissenting vote by any Director during the year under review.

Ifurther report that there are adequate systems and processes in the companycommensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the following important events/actions having bearing on the company affairs in pursuance of the above referred laws, rules, regulation, guidelines and standards were taken:

❖ Conversion of 8,73,200 fully convertible warrants ("warrants") of Rs.10/- each into 87,32,000 equity shares of face value of Rs.1/- each allotted on preferential basis to the persons belonging to the promoter & non-promoter category in the Board meeting held on 19th June, 2019.
❖ Conversion of 17,46,800 fully convertible warrants ("warrants") of Rs.10/- each into 1,74,68,000 equity shares of face value of Rs.1/- each allotted on preferential basis to the persons belonging to the promoter & non-promoter category in the share allotment committee meeting held on 01st July, 2019.
❖ Re-classification of existing Authorized Share Capital of Rs.16,38,50,000 (Rupees Sixteen Crore Thirty Eight Lacs Fifty Thousand Only) in Board meeting held on 26th August, 2019 in manner as mentioned below:

- Rs.7,73,31,680/- (Rupees Seven Crore Seventy Three Lakh Thirty One Thousand Six Hundred Eighty Only) divided into 7,73,31,680 (Seven Crore Seventy Three Lakh Thirty One Thousand Six Hundred Eighty) Equity shares of Re. 1/- (Rupee One Only) each;
- Rs.8,00,00,000 (Rupees Eight Crores only) divided into 80,00,000 (Eighty Lakh) Preference Shares of Rs.10/- (Rupees Ten Only);
- Rs.65,18,320/- (Rupees Sixty Five Lakh Eighteen Thousand Three Hundred Twenty Only) divided into 65,18,320 (Sixty Five Lakh Eighteen Thousand Three Hundred Twenty) Compulsory Convertible Preference Shares of Re.1/- (Rupee One Only) each.

- Issuance of 40,00,000 (Forty Lacs) 0.1% Non-Convertible Cumulative Redeemable Preference Shares of face value of Rs.10/- (Rupees Ten Only) each fully paid up, at par pursuant to conversion of unsecured loan amounting to Rs.4,00,00,000/- (Rupees Four Crore Only) in the Board meeting held on 26th August, 2019.

- Allotment of 55,59,530 Equity Shares pursuant to conversion of 55,59,530 Compulsorily Convertible Preference Shares (CCPS) in the Board meeting held on 28th January, 2020.

For VLA & Associates
(Company Secretaries)
SD/-
Vishal Lochan Aggarwal
(Proprietor)

FCS No.: 7241
C P No.: 7622
UDIN-F007241B000570991

Date: 17 August , 2020
Place: New Delhi

Annexure III

CERTIFICATE OF CEO & CFO

To
Kimia Biosciences Limited
(Formerly Laurel Organics Limited)

CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

We, Mr. Sameer Goel, Managing Director and Mr. Sanjay Gupta, Chief Financial Officer of the Company do hereby certify to the Board that: -

(a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2020 and that to the best of our knowledge and belief: -

(i) the said statements do not contain any materially untrue statements or omit any material fact, or containstatements that might be misleading;

(ii) the said statements together present a true and fair view of the Company's affairs and are in compliance withexisting accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls,
if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee: -

(i) Significant changes in internal control over financial reporting during the year, if any;

(ii) Significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Kimia Biosciences Ltd.
(Formerly Laurel Organics Limited)
SD/-
SAMEER GOEL
Managing Director
DIN-00161786

For Kimia Biosciences Ltd.
(Formerly Laurel Organics Limited)
SD/-
SANJAY GUPTA
Chief Financial Officer

Date: June 26, 2020
Place: New Delhi

Annexure IV

DECLARATION

This is to certify that the Company has laid down code of conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company www.laurel.co.in. Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the code applicable to them during the year ended March 31, 2020.

For Kimia Biosciences Ltd.
(Formerly Laurel Organics Limited)

SD/-
Sameer Goel
Managing Director
(DIN: 00161786)

Date: 01 September, 2020
Place: New Delhi

Annexure V

PARTICULARS OF REMUNERATION

The information required under Section 197(12) of the Act and the Rules made thereunder, in respect of employees of the Company is follows:

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Non- Executive Directors	**Ratio to Median Remuneration**
Mr. Vipul Goel	N.A.
Mr. Jagdeep Dhawan	N.A.
Mrs. Richa Gupta	N.A.
Executive Directors	
Mr. Sameer Goel	1:16

(b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of Person	**% increase in remuneration**
Mr. Sameer Goel	25%
Mr. Vipul Goel	NIL
Mr. Jagdeep Dhawan	NIL
Mrs. Richa Gupta	NIL
Mr. Abhishek Kumar Pandey, Company Secretary	8%
*Mr. Sanjay Gupta, Chief Financial Officer	21%

*

(c) The percentage increase in the median remuneration of employees in the financial year 2019-20. 8%

(d) The number of permanent employees on the rolls of Company:
The number of employees on the payroll of the Company as on 31st March, 2020 was 219, as compared to number 175,, as at 31st March, 2019.

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in salaries of employees other than managerial personnel in 2019-20 was 8 Percentage increase in the managerial remuneration for the year was **8**%.
Note**:** Bonus at an average rate of 8**.**33**%** was provided to all the eligibleemployees of Company during the year under review**.**

(f) **Affirmation that the remuneration is as per the remuneration policy of the Company**
The remuneration is as per the Nomination, Remuneration and Evaluation Policy for Directors, Key Managerial Personnel and other employees of the Company to whom it applies.

(g) Particulars of Employees pursuant to provisions of section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are hereby attached with this report as**Annexure – V.**

For and on behalf of the Board
KIMIA BIOSCIENCES LTD
(FORMERLY LAUREL ORGANICS LIMITED)

	SD/-	SD/-
Place : New Delhi	**SAMEER GOEL**	**VIPUL GOEL**
Date : 01 September, 2020	Managing Director	Additional Director
	(DIN: 00161786)	*(DIN: 00064274)*

Annexure V-A

PARTICULARS OF EMPLOYEES

Pursuant to provisions of section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration of the employees are given below:

(a) **Top 10 Employee in terms of remuneration who were Employed throughout the financial year:**

S No	Name	Designation	Annual Gross	Nature Of Employment (Whether Contractual or Otherwise	Qualification	Total Experience	Date of Commencemant of Employment	Age	If employee is relative of any Director or Manager, provide the name of such Director of Manager	Last Emplyment	% of Equity Capital held
1	MUKESH KUMAR SHARMA	AVP	3194281	Payroll	PHD	24	4-Dec-17	54	NO	Sun Pharmaceutical Ltd.	0
2	SANJAY GUPTA	CFO	2257900	Payroll	C.A.	22	29-Sep-17	47	NO	H-One India Pvt ltd	0
3	RAMNIK SHARMA	Group Leader	1757964	Payroll	PHD	16	27-Dec-17	44	NO	Sun Pharmaceutical Ltd.	0
4	AMIT KUMAR	Group Leader	1540000	Payroll	M.Sc	14	11-Mar-19	39	NO		
5	MATHURA DATT	AGM	1365533	Payroll	B. Com	24	17-Nov-14	48	NO	Brijwasan Agro	0

	JOSHI									Ltd.	
6	PRASHANT GUPTA	MANAGER	1320000	Payroll	MBA	23	22-Oct-18	45	NO		
7	RAMESH CHANDRA DUBEY	Sr. AGM	1313830	Payroll	M.Sc	31	7-Nov-16	57	NO	Indophyto Chem Ltd	0
8	VANDANA GOEL	MANAGER	1200000	Payroll	Graduate	4	15-Dec-16	43	Sameer Goel	NA	0
9	SHIVANI RANA	MANAGER	1156965	Payroll	PHD	11.5	10-Oct-18	40	NO	Sunpharamaceutical Ltd	0
10	MANJIT SINGH	Group Leader	1125140	Payroll	PHD	9	02-Apr-18	43	NO	Nari Pharma	0

(b) Employees who were in the receipt of remuneration aggregating Rs. 1,02,00,000 or more per annum : **None**

(c) Employed for part of the financial year and was in receipt of remuneration not less than Rs. 8,50,000 per month : **None**

(d) Employee who was in receipt of remuneration in excess of that drawn by the Managing Director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company : **None**

Note:

1. There were no employee in the Company, throughout the financial year or part of the year, who were in receipt of remuneration aggregating Rs. 1,02,00,000 or more per annum or Rs. 8,50,000 per month.

INDEPENDENT AUDITOR'S REPORT

To the Members of Kimia Biosciences Limited (Formerly known as Laurel Organics Limited)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Kimia Biosciences Limited (Formerly known as Laurel Organics Limited) ("the Company"), which comprise the balance sheet as at March 31 2020, the statement of profit and loss, including the statement of other comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profitincluding other comprehensive income,the changes in equity and its cash flowsfor the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs),as 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 financialstatements'section of our report. We are independent of the Company in accordance with the 'Code of Ethics'issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	**How our audit addressed the key audit matter**
A. Valuation of inventories	
We refer to note 2 and 8 to the financial statements. As at March 31, 2020, the total carrying value	We have checked and analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or

Key audit matters	How our audit addressed the key audit matter
of inventories was Rs. 2031.23 lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. Reviews are made periodically by management on inventories for obsolescence anddecline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, shelf life and turnover rate.	reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the management and considered their views on the adequacy of allowances for inventory obsolescenceconsidering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date. We found management's assessment of the allowance for inventory obsolescence and valuation of inventories to be reasonable based on available evidence.

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of management for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the “Annexure A”a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

   (b) In our opinion, proper books of accountas 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 the statement of other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197(16) read with Schedule V to the Act;

(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 itsfinancial statements – Refer Note 35 to the 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.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E
Sd/-
Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN : 20088926AAAAFZ9110

Date: June26, 2020
Place: Noida (Delhi – NCR)

Annexure A referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Kimia Biosciences Limited (Formerly known as Laurel Organics Limited))

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.

b. The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified 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 nature its property, plant and equipment. As informed to us, due to lockdown imposed by Central Government of India due to Covid-19 pandemic, no physical verification of property, plant & equipment covered by the regular programme were carried out.

c. The title deeds of immovable properties included in property, plant andequipment [note 2 to the financial statements] are held in the name of the Company however freehold land having carrying value of Rs. 47.46 Lakhs is registered in the old name of the Company.

(ii) The management has conducted physical verification of inventories during the year at reasonable interval and discrepancies noticed on such physical verification of inventory as compared to book records were not material.

(iii) The Company has not granted any loanto companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii) of the Order are not applicable.

(iv) The Company has no transaction with respect to loan, investment, guarantee and security covered under section 185 and 186 of the Companies Act, 2013.Therefore, the provisions of clause 3(iv) of the Order are not applicable.

(v) The Company has not accepted deposit within the meaning of sections73 to 76 of the Actand the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the Company's products to which the said rules are applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.

(vii) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues where applicable, with the appropriate authorities. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.

b. According to the records of the Company, there are no dues outstanding of income tax, sales tax, service tax, duty of customs, duty of excise,goods and service tax and value added tax on account of any dispute, other than the following:

Name of Statue	Nature of disputed dues	Amount (Rs. in Lakhs)	Period to which it relates	Forum where dispute is pending
Punjab Value Added Tax, 2005	Penalty	11.67	2014-15	Panchkula Civil Court

(viii) The Company has not defaulted in repayment of dues to banks and financial institution. The Company did not have any borrowing from Government and dues to debenture holders.

(ix) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Term loans raised during the year were applied for the purpose for which loans were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.

(xi) The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.

(xiii) According to the information and explanations given to us, transactions with the related parties as identified by the Company are in compliance with section 177 and 188 of the Actwhere applicable and details for the same have been disclosed in the financial statements as required by the applicable Indian accounting standards.

(xiv) During the year, the Company has allotted preference shares on private placement basis and allotted equity shares upon conversionof fully convertible share warrantsissued in earlier years on private placement basis. The Company has complied with requirement of section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause 3(xv) of the Order are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Sd/-
Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN :20088926AAAAFZ9110

Date: June 26, 2020
Place: Noida (Delhi – NCR)

Annexure B referred to in paragraph 2(f) of our report of even date on the other legal and regulatory requirements

Report on the Internal Financial controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Kimia Biosciences Limited (Formerly known as Laurel Organics Limited)('the Company") as of March 31, 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 the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial controls with reference to financial statements

A Company's internal financial controls with reference to financial statements 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 with reference to financial statements 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 authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with reference to financial statements

Because of the inherent limitations of Internal Financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements were operating effectively as at March 31, 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 Institute of Chartered Accountants of India however same need to be further strengthened.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Sd/-
Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN :20088926AAAAFZ9110

Date: June 26, 2020
Place: Noida (Delhi – NCR)

BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Lakhs)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	1,661.10	1,600.00
(b) Capital work-in-progress		574.39	152.60
(c) Right of use assets	4	111.68	-
(d) Intangible assets	5	11.38	15.33
(e) Financial assets			
(i) Other financial assets	6	14.28	14.14
(f) Other assets	7	98.87	2.81
Total non-current assets		2,471.72	1,784.88
II Current assets			
(a) Inventories	8	2,031.23	1,609.91
(b) Financial assets			
(i) Investments	9	41.72	1.04
(ii) Trade receivables	10	3,732.57	2,912.14
(iii) Cash and cash equivalents	11	23.18	9.44
(iv) Other balances with bank	12	54.14	116.90
(v) Other financial assets	13	33.17	18.29
(c) Current tax assets (net)	14	74.36	65.84
(d) Other assets	15	104.47	21.30
Total current assets		6,094.82	4,754.86
Total assets		8,566.54	6,539.74
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	16	463.54	145.94
(b) Instruments entirely equity in nature (CCPS)	16	9.59	65.18
(c) Other equity		864.06	399.62
Total equity		1,337.19	610.74
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	2,430.97	2,410.97
(ii) Other financial liabilities	18	411.39	-
(b) Provisions	19	87.93	64.23
(c) Other non-current liabilities	20	435.85	409.61
Total non-current liabilities		3,366.14	2,884.81
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	632.02	541.98
(ii) Trade payables	22		
- Total outstanding due to micro and small enterprises		1.77	78.34
- Total outstanding due to other than micro and small enterprises		2,654.46	1,687.89
(iii) Other financial liabilities	23	539.36	705.92
(b) Other current liabilities	24	31.44	26.84
(c) Provisions	25	4.16	3.22
Total current liabilities		3,863.21	3,044.19
Total equity and liabilities		8,566.54	6,539.74
Summary of significant accounting policies and other notes on Financial Statements	1 to 47		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SD/-
Bimal Kumar Sipani
Partner
Membership No. 088926

Place : Noida (Delhi-NCR)
Date: June 26, 2020

For and on behalf of Board of Directors

SD/-
Sameer Goel
Managing Director
DIN: 00161786

SD/-
Vipul Goel
Director
DIN: 00064274

SD/-
Abhishek Pandey
Company Secretary

SD/-
Sanjay Gupta
Chief Financial Officer

Place : New Delhi
Date: June 26, 2020

KIMIA BIOSCIENCES LIMITED
(Formerly known as Laurel Organics Limited)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs except EPS)

	Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
I	REVENUE			
	(a) Revenue from operations	26	10,628.63	9,391.73
	(b) Other income	27	96.37	132.68
	Total income		10,725.00	9,524.41
II	EXPENSES			
	(a) Cost of materials consumed	28	7,909.32	7,221.79
	(b) Changes in inventories of finished goods and work-in-progress	29	115.39	(113.83)
	(c) Employee benefits expense	30	1,080.46	881.72
	(d) Finance costs	31	252.88	199.61
	(e) Depreciation and amortization expense	32	166.01	109.83
	(f) Other expenses	33	1,078.33	844.72
	Total expenses		10,602.40	9,143.84
III	Profit before Tax		122.60	380.57
IV	Tax expense			
	(a) Current tax	42	-	-
	(b) Current tax related to earlier years		(15.50)	-
	(c) Deferred tax charge / (credit)		-	(4.93)
	Total tax expense		(15.50)	(4.93)
V	Profit for the year (A)		138.10	385.50
VI	Other comprehensive income			
	(a) (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		(1.16)	(3.59)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	(b) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Other Comprehensive income for the year (B)		(1.16)	(3.59)
VII	Total comprehensive income for the year (A+B)		136.94	381.91
VIII	Earnings per equity share (face value of ₹ 1 each)	34		
	(i) Basic (in ₹)		0.32	2.64
	(ii) Diluted (in ₹)		0.28	1.40

Summary of significant accounting policies and other notes on Financial Statements — 1 to 47

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SD/-
Bimal Kumar Sipani
Partner
Membership No. 088926

Place : Noida (Delhi-NCR)
Date: June 26, 2020

For and on behalf of Board of Directors

SD/-
Sameer Goel
Managing Director
DIN: 00161786

SD/-
Vipul Goel
Director
DIN: 00064274

SD/-
Abhishek Pandey
Company Secretary

SD/-
Sanjay Gupta
Chief Financial Officer

Place : New Delhi
Date: June 26, 2020

KIMIA BIOSCIENCES LIMITED
(Formerly known as Laurel Organics Limited)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

Particulars		For the year ended March 31, 2020		For the year ended March 31, 2019
(A) CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax		122.60		380.57
Adjustments for:				
Depreciation and amortization expense	166.01		109.83	
Profit on sale/discard of property, plant and equipment (net)	1.55		(1.70)	
Finance costs	252.88		199.61	
Gain on fair value of investment in mutual fund	(0.79)		-	
Interest income	(6.50)		(14.56)	
Deferred revenue income	(87.08)		(112.52)	
Unrealised gain/loss on foreign currency transactions and translations	54.86		(45.17)	
		380.93		135.49
Operating cash flows before working capital changes		503.53		516.06
Adjustments for:				
(Increase)/ decrease in inventories	(421.32)		(650.96)	
(Increase)/ decrease in trade and other receivables	(923.80)		113.60	
Increase/ (decrease) in trade and other payables	865.44		(227.87)	
		(479.68)		(765.23)
Cash generated from operations		23.85		(249.17)
Less : Direct taxes paid		7.00		(15.81)
Net cash generated from operating activities		30.85		(264.98)
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
Purchases of property, plant and equipments including intangible assets & capital advances	(901.06)		(258.36)	
Proceeds from sales of property, plant & equipements	3.64		1.91	
(Placement)/ redemption of fixed deposits (net)	62.76		31.55	
Purchase of current investments	(39.89)		(1.04)	
Interest received	11.69		3.60	
Net cash generated in investing activities		(862.86)		(222.35)
(C) CASH FLOW FROM FINANCING ACTIVITIES:				
Receipts from non current borrowings	2,293.11		3,026.67	
Repayment of non current borrowings	(2,014.01)		(2,584.73)	
Net proceeds of current borrowings	90.03		85.84	
Receipt on issuance of equity shares against share warrant	589.50		-	
Finance costs paid	(112.88)		(86.04)	
Net cash generated/(used) in financing activities		845.75		441.73
Net (decrease)/increase in cash and cash equivalents (A+B+C)		13.74		(45.60)
Opening cash and cash equivalents		9.44		55.04
Closing cash and cash equivalents (Refer note 11)		23.18		9.44

Notes:

1 The Statement of Cash Flow has been prepared in accordance with 'Indirect Method' as set out in Ind AS 7 'Statement of Cash Flows'.

2 Movement of liabilities covered under financing activities as per IND AS - 7 is given in note no 43(c).

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SD/-
Bimal Kumar Sipani
Partner
Membership No. 088926

Place : Noida (Delhi-NCR)
Date: June 26, 2020

For and on behalf of Board of Directors

SD/-
Sameer Goel
Managing Director
DIN: 00161786

SD/-
Vipul Goel
Director
DIN: 00064274

SD/-
Abhishek Pandey
Company Secretary

SD/-
Sanjay Gupta
Chief Financial Officer

Place : New Delhi
Date: June 26, 2020

STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2020

(₹ in Lakhs)

A. Equity share capital

	As at April 1, 2018	Changes during the year (2018-19)	As at March 31, 2019	Changes during the year (2019-20)	As at March 31, 2020
Equity shares of ₹ 1 each issued, subscribed and fully paid	145.94	-	145.94	317.60	463.54

For detail of changes during the year, Refer Note - 16

B. Instrument entirely equity in nature

	As at April 1, 2018	Changes during the year (2018-19)	As at March 31, 2019	Changes during the year (2019-20)	As at March 31, 2020
Equity Shares of ₹ 1 each issued, subscribed and fully paid	65.18	-	65.18	(55.60)	9.59

For detail of changes during the year, Refer Note - 16

C. Other equity

		Reserves and Surplus			
	Share Warrants (Refer Note 16(a))	Securities premium	Retained Earnings	Re-measurement gains (losses) on defined benefit plans	Total Equity
As at April 1, 2018	196.50	84.52	(262.46)	(0.85)	17.71
Profit / (loss) for the year	-	-	385.50	-	385.50
Other comprehensive income / (loss)	-	-	-	(3.59)	(3.59)
As at March 31, 2019	196.50	84.52	123.04	(4.44)	399.62
On conversion of CCPS to equity shares	-	524.00	-	-	524.00
Conversion to equity shares	(196.50)	-	-	-	(196.50)
Profit for the year	-	-	138.10	-	138.10
Other comprehensive income	-	-	-	(1.16)	(1.16)
As at March 31, 2020	-	608.52	261.15	(5.60)	864.06

(i) Securities Premium - This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(ii) Retained Earnings - Retained earnings are profits earned by the Company after payment of dividend to shareholders.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SD/-
Bimal Kumar Sipani
Partner
Membership No. 088926

Place : Noida (Delhi-NCR)
Date: June 26, 2020

For and on behalf of Board of Directors

SD/-
Sameer Goel
Managing Director
DIN: 00161786

SD/-
Vipul Goel
Director
DIN: 00064274

SD/-
Abhishek Pandey
Company Secretary

SD/-
Sanjay Gupta
Chief Financial Officer

Place : New Delhi
Date: June 26, 2020

1 Corporate Information

KIMIA Biosciences Limited (Formerly known as Laurel Organics Limited) referred to as "the Company" is a public limited company incorporated in India with its registered office located at Village Bhondsi, Tehsil Sohna, Distt. Gurgaon - 122102, Haryana, India. Equity shares of the Company are listed in India on the Bombay Stock Exchange.

The main objective of the Company is to carry on business of Pharmaceutical products. The Company has own manufacturing of Bulk Drugs-APIs at its plant located at Village Bhondsi, Tehsil Sohna, Distt. Gurgaon-122102, Haryana in accordance with Good Manufacturing Practices (GMP) Standards for pharmaceutical production. The Company has obtained manufacturing license from the State Drugs Controller-cum-Licensing Authority, Food and Drugs Administration, Haryana on April 7, 2017 in order to manufacture Bulk Drugs (Active Pharmaceutical) - (APIs) products.

The financial statements of the Company for the year ended March 31, 2020 were authorized for issue in accordance with a resolution of the board of directors on June 26, 2020.

2 Significant Accounting Policies

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

2.1 Basis of preparation

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Certain financial assets and liabilities that is measured at amortised cost.
- Defined benefit liabilities/(assets): present value of defined benefit obligation less fair value of plan assets.

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.

In addition, for financial reporting purposes, fair value measurements are categorised 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 Company 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.

2.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee ('₹'), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- assessing the lease term (including anticipated renewals) and the applicable discount rate.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment, Intangible assets and Right of Use assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Uncertainty relating to the global health pandemic

2.5 Business Combination under Common Control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts.

2.6 Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liability is treated as current when it is:

- Expected to be realised/settled or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.7 Property, Plant and Equipment

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss , if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous Generally Accepted Accounting Principles (GAAP). The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use.

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

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below Rs. 5000 are fully depreciated in the year of purchase.

Capital work-in-progress

Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit & Loss.

2.8 Intangible assets

Intangible Assets acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 5-10 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for

An intangible asset is de-recognised 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 recognised in the Statement of Profit & Loss when the asset is derecognised.

2.9 Non-current assets held for sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.1 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets 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 to which the asset belongs.

2.11 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets up to the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Statement of Profit & Loss in the period in which they are incurred.

2.12 Foreign currency transactions

Transactions in foreign currencies are recorded by the Company at their respective functional currency considering exchange rates prevailing on the date of transactions first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss except exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.13 Employee benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit & Loss. Past service cost is recognised in the Statement of Profit & Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit & Loss in the line item employee benefits

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.14 Revenue Recognition

The majority of the Company's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on orders received.

The Company manufacture and sells pharmaceutical bulk drug products. Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer or its agent and the Company is entitled to receive payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer, if applicable.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

2.15 Inventories

Inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary except waste/scrap which is valued at net realisable value. Cost is determined on a weighted average basis and includes direct materials, labour and a proportion of manufacturing overheads. Net realizable value is the estimated selling price in the ordinary course of business based on market price at the reporting date and discounted for the time value of money if material, less estimated costs of completion and estimated costs necessary to make the sale. Material and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost. Raw material and spare parts including other items are recorded on weighted average basis.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.17 Measurement of fair value

a) Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition and measurement

All 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 which is not recognised at Fair Value Through Profit and Loss, is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

(ii) Subsequent recognition

A. Financial Assets

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

- Amortised Cost;
- Fair Value Through Other Comprehensive Income (FVOCI); or
- Fair Value Through Profit and Loss (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 amortised cost if it meets both of the following conditions and is not recognised 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.

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 Other Comprehensive Income (OCI) (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. 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 or at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

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 such 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.

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument

by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

Financial assets: Subsequent measurement and gains and losses

Financial assets measured at FVTPL :These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

Financial assets measured at FVOCI : These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and 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 assets measured at Amortised Cost :These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

B. Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised as profit or loss

(iii) Derecognition

Financial assets

The Company derecognises 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 nor 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 recognised 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 derecognised.

Financial liabilities

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

(iv) Impairment of financial instruments

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

(v) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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 asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.20 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value as that of right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;

• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; 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 Balance Sheet.

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.

• 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.

Right of Use (ROU) Assets

The ROU 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 recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.
ROU assets are depreciated over the shorter period of the lease term or useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under "Notes forming part of the Financial Statement".
The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2.21 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

2.23 Government Grants

Government grants are recognised at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met.
Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as deferred income.

2.24 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") has not notified new standard or amendments to the existing standards, which would have been applicable from April 1, 2020.

(₹ in Lakhs)

3 Property, plant and equipment

Gross Block	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total
Property, plant and equipment								
Cost as at April 01, 2018	47.46	118.76	279.33	867.76	15.81	93.19	32.07	1,454.38
Addition during the year	-	-	48.41	368.35	2.92	-	12.43	432.11
Sold/discarded during the year	-	-	-	-	-	-	0.25	0.25
Adjustment during the year	-	-	-	-	-	-	-	-
Cost as at March 31, 2019	47.46	118.76	327.74	1,236.11	18.73	93.19	44.25	1,886.24
Cost as at April 01, 2019	47.46	118.76	327.74	1,236.11	18.73	93.19	44.25	1,886.24
Transfer to Right-of-use assets as per Ind AS 116	-	(118.76)	-	-	-	-	-	(118.76)
Addition during the year	-	-	-	321.87	8.40	-	8.06	338.33
Sold/discarded during the year	-	-	-	16.79	-	-	0.82	17.61
Adjustment during the year	-	-	-	-	-	-	-	-
Cost as at March 31, 2020	47.46	-	327.74	1,541.19	27.13	93.19	51.49	2,088.20

Accumulated Depreciation	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total
Accumulated depreciation as at April 01, 2018	-	3.80	18.89	111.56	2.68	30.40	12.48	179.81
Depreciation for the year	-	1.90	13.02	70.77	1.64	11.52	7.62	106.47
Disposals	-	-	-	-	-	-	0.04	0.04
Adjustment during the year	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2019	-	5.70	31.91	182.33	4.32	41.92	20.06	286.24
Accumulated depreciation as at April 01,2019	-	5.70	31.91	182.33	4.32	41.92	20.06	286.24
Transfer to Right-of-use assets as per Ind AS 116	-	(5.70)	-	-	-	-	-	(5.70)
Depreciation for the year	-	-	14.64	114.76	5.36	12.96	11.26	158.98
Disposals	-	-	-	11.75	-	-	0.67	12.42
Adjustment during the year	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2020	-	-	46.55	285.34	9.68	54.88	30.65	427.10
Net carrying value as on March 31, 2019	47.46	113.06	295.83	1,053.78	14.41	51.27	24.19	1,600.00
Net carrying value as on March 31, 2020	47.46	-	281.19	1,255.85	17.45	38.31	20.84	1,661.10

Notes :

(i) Assets pledged and hypothecated against borrowings - Refer Note 17

(₹ in Lakhs)

4 Right of use assets

Gross Block	Leasehold Land	Total
Cost as at April 01, 2019	-	-
Transfer to Right-of-use assets as per Ind AS 116	118.76	118.76
Addition during the year	-	-
Sold/discarded during the year	-	-
Cost as at March 31, 2020	118.76	118.76

Accumulated depreciation	Leasehold Land	Total
Accumulated depreciation as at April 01,2019	-	-
Transfer to Right-of-use assets as per Ind AS 116	5.70	5.70
Depreciation for the year	1.38	1.38
Disposals	-	-
Adjustment during the year	-	-
Accumulated depreciation as at March 31, 2020	7.08	7.08
Net carrying value as on March 31, 2020	111.68	111.68

Notes :
(i) Assets pledged and hypothecated against borrowings - Refer Note 17

5 Intangible assets

Gross Block	Computer Software	Total
Cost as at April 01, 2018	19.49	19.49
Addition during the year	3.43	3.43
Sold/discarded during the year	-	-
Cost as at March 31, 2019	22.92	22.92
Cost as at April 01, 2019	22.92	22.92
Addition during the year	1.71	1.71
Sold/discarded during the year	-	-
Cost as at March 31, 2020	24.63	24.63
Net carrying value as at April 1, 2018	15.33	15.33
Net carrying value as at March 31, 2019	11.38	11.38

	Computer Software	Total
Accumulated amortisation as at April 01, 2018	4.23	4.23
Amortisation during the year	3.36	3.36
Disposals	-	-
Accumulated amortisation as at March 31, 2019	7.59	7.59
Amortisation during the year	5.65	5.65
Disposals	-	-
Accumulated amortisation as at March 31, 2020	13.24	13.24
Net carrying value as at March 31, 2019	15.33	15.33
Net carrying value as at March 31, 2020	11.38	11.38

(₹ in Lakhs)

6 Other financial assets - Non Current

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Security deposits	14.28	14.14
	14.28	14.14

7 Other assets - Non Current

	As at March 31, 2020	As at March 31, 2019
Capital advances	98.87	2.81
	98.87	2.81

8 Inventories

(Valued at lower of cost or net realisable value except waste at net realisable value)

		As at March 31, 2020	As at March 31, 2019
(a)	Raw materials	1,251.75	794.06
(b)	Work-in-progress	334.18	135.44
(c)	Finished goods	338.92	653.05
(d)	Stores and spares	37.11	27.36
		1,961.96	1609.91
	Goods-in-transit:		
(a)	Raw materials	69.27	-
		2,031.23	1,609.91

(a) Inventories are pledged and hypothecated against secured borrowings, Refer Note No.17 & 21.

(b) During the year, ₹ 0.89 lakhs (Previous year ₹ Nil) was recognised as expense for inventories carried at net realisable value and provision for slow and non moving inventories.

(₹ in Lakhs)

9 Investments - (Current)

		As at March 31, 2020	As at March 31, 2019
	(Fair value through profit and loss)		
a.	Investments in equity instruments (quoted)		
	90 (Previous Year - 50) equity shares of of HDFC Bank Limited having face value of ₹ 1 (Previous year ₹ 2)	0.78	1.04
b.	Investments in mutual funds (unquoted)		
	180,576.96 units (Previous year - Nil) in Baroda Short Term Bond Fund - Plan B Growth	40.94	-
		41.72	1.04
	Other disclosures		
	Aggregate amount of quoted investments and market value thereof	0.78	1.04
	Aggregate value of unquoted investments	40.94	-

Refer note 39 for determination of fair values of investments.

10 Trade receivables

	As at March 31, 2020	As at March 31, 2019
Unsecured		
Considered good	3,732.57	2,912.14
Credit impaired	11.50	10.71
	3,744.07	2,922.85
Less: Allowance for expected credit losses	11.50	10.71
	3,732.57	2,912.14

(i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
(ii) For details of receivables from Related Parties, Refer Note No. 38
(iii) Receivable are pledged and hypothecated against secured borrowings, Refer Note No.17 & 21.
(iv) Also refer note No.43(b).

11 Cash and cash equivalents

		As at March 31, 2020	As at March 31, 2019
(a)	Cash on hand	3.11	0.42
(b)	Balance with banks		
	- In current accounts	20.07	9.02
		23.18	9.44

(₹ in Lakhs)

12 Other balances with bank

		As at March 31, 2020	As at March 31, 2019
(a)	Earmarked balances with banks		
	-Deposit with original maturity of more than three months but less than twelve months*	54.14	116.90
		54.14	116.90

* Deposits are pledged with various Government authorities and others.

13 Other financial assets - (Current)

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Interest accrued on deposits	1.26	6.45
Advance to employees	9.32	4.36
Advance to others	4.00	4.00
Export incentives receivables	17.93	3.48
Other receivables	0.66	-
	33.17	18.29

14 Current tax assets (net)

	As at March 31, 2020	As at March 31, 2019
Advance tax (net of tax provisions)	74.36	65.84
	74.36	65.84

15 Other assets - (Current)

	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	32.03	13.31
Advances to suppliers	6.47	7.99
GST input credit $	65.97	-
	104.47	21.30

$ subject to reconciliations

(₹ in Lakhs)

16 Equity share capital

		As at March 31, 2020	As at March 31, 2019
A.	Authorised: $		
(a)	7,73,31,680 (Previous Year 11,73,31,680) equity shares of ₹ 1 each	773.32	1,173.32
(b)	65,18,320 (Previous Year 65,18,320) compulsory convertible preference shares of ₹ 1 each	65.18	65.18
(c)	80,00,000 (Previous Year 40,00,000) 0.1% Redeemable non-convertible cumulative preference shares of ₹ 10 each	800.00	400.00
		1,638.50	1,638.50

$ During the year, the Company has reclassified its authorised share capital of equity share of ₹ 400 Lakhs to 01% Redeemable non-convertible cumulative preference shares as disclosed above. The Company has filed an application with RoC,Delhi for re-classification of authorized share capital on October 22, 2019 which has been rejected on November 14, 2019. The Company has filed an appeal before Hon'ble High Court, Delhi on the above matter.

		As at March 31, 2020	As at March 31, 2019
B.	Issued and subscribed:		
(a)	463,53,951 (Previous Year 145,94,421) equity shares of ₹ 1 each (fully paid up)	463.54	145.94
(b)	9,58,790 (Previous Year 65,18,320) compulsory convertible preference shares of ₹ 1 each (fully paid up)	9.59	65.19
(c)	80,00,000 (Previous year 40,00,000) 0.1% redeemable non-convertible cumulative preference shares of ₹ 10 each	800.00	400.00
		1,273.13	611.13
C.	Paid-up:		
(a)	463,53,951 (previous year 145,94,421) equity shares of ₹ 1 each (fully paid up)	463.54	145.94
		463.54	145.94
(b)	9,58,790 (Previous Year 65,18,320) compulsory convertible preference shares of ₹ 1 each (fully paid up)	9.59	65.18
		9.59	65.18

Also Refer Note 18 and 23

D. Rights, Preferences and Restrictions :

(a) Equity shares

The Company has only one class of equity share having face value of ₹ 1 each and each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However same other than interim dividend, is subject to the approval of the shareholders in the Annual General Meeting.

(b) Compulsory convertible preference shares

During the year the Company has converted 55,59,530 compulsory convertible preference shares into equity share. After conversion, each holder of equity shares have the same rights as defined in (a) above. Remaining 9,58,790 (previous year 65,18,320) Compulsory Convertible Preference shares of ₹ 1 each will convert into 9,58,790 equity shares in financial year 2020-21.

(c) Redeemable non-convertible cumulative preference shares

Each preference share holder is eligible for equal amount of dividend, in case dividend is declared by the company on other class of shares as proposed by the Board of Directors which is subject to the approval of the shareholders in the ensuing Annual General Meeting. Preference shares shall rank senior to all present and future preference shares and/or equity shares issued by the Company. Preference shares shall be redeemed at the option of the Company, at any time within a period not exceeding ten years from the date of allotment on May 17, 2016 under the provisions of the Companies Act.

During the year, the Company has further issued 40,00,000 0.1% redeemable non-convertible cumulative preference shares of ₹ 10 upon conversion of loan based on approval of the Board and its members in the AGM held on September 28, 2019.

(₹ in Lakhs)

16 Equity share capital

E. Reconciliation of number of shares outstanding and the amount of share capital

(a) Equity Shares	As at March 31, 2020		As at March 31, 2019	
Particulars	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	1,45,94,421	145.94	1,45,94,421	145.94
Conversion of share warrant into equity shares ^	2,62,00,000	262.00	-	-
Conversion of CCPS into equity shares *	55,59,530	55.60	-	-
Shares outstanding at the end of the year	4,63,53,951	463.54	1,45,94,421	145.94

^ In FY 2017-18, the Company has issued 26,20,000 Fully Convertible Warrants ("Warrants") having Face Value of ₹ 10/- each, for cash at an issue price of ₹ 30 per Warrant (including a premium of ₹ 20 per Warrant) ("Warrant Issue Price") on preferential basis to the persons belonging to Promoter & Non Promoter category ("Proposed Warrant Allottees"), each convertible into, or exchangeable for, at an option of the Proposed Warrant Allottee, upon the Scheme of arrangement between Kimia Bioseiences Ltd. and Laurel Organics Ltd. becoming effective and subject to a maximum tenure of eighteen months from the date of their allotment i.e. January 31, 2018, in one or more tranches, Ten Equity Shares of face value of ₹ 1/- (Rupee One only) at a premium of ₹ 2/-each on such terms and conditions as may be determined by the Board. Company has received entire amount during the year against the warrant issue price. During the year, the Company has issued and allotted 262,00,000 equity shares of ₹ 1 each at a premium of ₹ 2 per share against share warrants.

(b) Compulsory Convertible Preference Shares	As at March 31, 2020		As at March 31, 2019	
Particulars	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	65,18,320	65.18	65,18,320	65.18
Conversion of CCPS into equity shares during the year*	(55,59,530)	(55.59)	-	-
Shares buyback during the year	-	-	-	-
Shares outstanding at the end of the year	9,58,790	9.59	65,18,320	65.18

* During the year, the Company has converted 55,59,530 Compulsory Convertible Preference Shares having face value of ₹ 1 into equity shares.

(c) 0.1% Redeemable Non-Convertible Cumulative Preference Shares	As at March 31, 2020		As at March 31, 2019	
Particulars	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	40,00,000	400.00	40,00,000	400.00
Shares issued during the year #	40,00,000	400.00	-	-
Shares outstanding at the end of the year	80,00,000	800.00	40,00,000	400.00

During the year, the Company has issued 40,00,000 shares at the face value of ₹ 10/- per share by way of private placement of shares by converting loan.

E. Details of the Shares held by each shareholder holding more than 5% shares

(a) Equity Shares	As at March 31, 2020		As at March 31, 2019	
Particulars	Number of shares held	% of holding	Number of shares held	% of holding
1. Mr. Sameer Goel	2,91,78,591	62.95%	1,08,87,971	74.60%
2. Mr. Sachin Goel*	53,18,380	11.47%		
Total	3,44,96,971	74.42%	1,08,87,971	74.60%

* As at March 31 2019, shareholding was not more than 5%

(b) Compulsory Convertible Preference shares	As at March 31, 2020		As at March 31, 2019	
Particulars	Number of shares held	% of holding	Number of shares held	% of holding
1. Mr. Sameer Goel	9,58,790	100.00%	64,88,790	99.55%
Total	9,58,790	100.00%	64,88,790	99.55%

(c) Redeemable Non-Convertible Cumulative Preference Shares	As at March 31, 2020		As at March 31, 2019	
Particulars	Number of shares held	% of holding	Number of shares held	% of holding
1. Enkay Foam Private Limited	80,00,000	100.00%	40,00,000	100.00%
Total	80,00,000	100.00%	40,00,000	100.00%

(₹ in Lakhs)

17 Non Current - Borrowings

		Non Current Portion		Current Maturities	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
(a)	Secured				
(i)	Term loan from banks	869.80	56.18	107.11	85.72
(ii)	Car loans from a bank	-	5.82	5.82	22.01
(b)	Unsecured				
(i)	Loans from bodies corporate	1,354.97	2,057.77	216.06	-
(ii)	Loans from a director	206.20	291.20	-	-
		2,430.97	2,410.97	328.99	107.73
	Less : Current maturities of long term loans from banks (Note 23)			112.93	107.73
	Less : Current maturities of long term loans from body corporates (Note 23)			216.06	-
	(Total i+ii)	2,430.97	2,410.97	-	-

A. Secured loans

a. Term loan of ₹ 459.14 Lakhs (Previous year ₹ 141.90 Lakhs) taken from State Bank of India, SME Branch, Gurgaon which is repayable in 84 monthly instalments beginning from September, 2018 with interest 2.25% above MCLR per annum. The loan is secured by first pari passu charge over the existing and future lands (situated at Bhondsi Village, District- Gurugram, Haryana and RICO Bhiwadi, District-Alwar, Rajasthan, India) and interests therein, plant and property of the company including book debts, movable property (not being pledge).

b. Term loan of ₹ 517.77 Lakhs (Previous year ₹ NIL) taken from HDFC Bank which is repayable in 60 monthly instalments beginning from July, 2019 with interest 1.25% over 1 Year MCLR (presently 10.25%) per annum. This loan is secured by a primary security of against immovable property of director (C-52, Rohit Kunj, Pitampura, New Delhi - 110034) and collateral security of director's personal guarantee and mortage of property of relative of directors.

c. Car loans from a bank carries interest 10% to 11.50% (previous year 10% to 11.50%) are secured by hypothecation of cars purchased there under and are repayable in monthly instalments over the period of loan.

B. Unsecured loans

Loan from bodies corporate carries interest rate 9% to 9.5% (previous year 9% to 9.5%) per annuum and repayable ranging October'2020 to October'2022. Loan from director is interest free and repayable after March 2021.

c. Also refer Note 43(b)

18 Other financial liabilities - Non Current

	As at March 31, 2020	As at March 31, 2019
80,00,000 (Previous Year 40,00,000) 0.1% Redeemable non-convertible cumulative preference shares of Rs. 10 each $ #	411.39	-
	411.39	-

$ Also Refer Note 16

During the year, due to Covid -19 pandemic, the Company has deferred premature redemption of preference shares accordingly the same have been re-classified to non-current from current.

(₹ in Lakhs)

19 Long Term - Provisions

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer Note No 36)	87.93	64.23
	87.93	64.23

20 Other non-current liabilities

	As at March 31, 2020	As at March 31, 2019
Deferred revenue		
-Arising on fair valuation of interest free borrowings and preference shares	435.85	409.61
	435.85	409.61

21 Borrowings - (Current)

	As at March 31, 2020	As at March 31, 2019
Secured		
Cash credit facility from a bank	632.02	541.98
	632.02	541.98

Above loan is secured by way of hypothecation of all present and future current assets including inventories and book debts and also personal guarantee of Directors.

22 Trade payables

		As at March 31, 2020	As at March 31, 2019
(a)	Total outstanding due to micro and small enterprises	1.77	78.34
(b)	Total outstanding due to other than micro and small enterprises	2,654.46	1,687.89
		2,656.23	1,766.22

(i) Based on the information available as identified by the management, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	0.79	78.22
- Interest due on above	-	0.12
The amount of interest paid by the buyer under MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	0.86	0.12
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	0.12	-

(₹ in Lakhs)

23 Other financial liabilities - (Current)

	As at March 31, 2020	As at March 31, 2019
Current maturities of long term loan from banks	112.93	107.73
Current maturities of long term loan from bodies corporate	216.06	-
Interest accrued	55.12	1.97
40,00,000 0.1% Redeemable non-convertible cumulative preference shares of ₹ 10 each $ #	-	400.00
Capital creditors	29.04	72.21
Statutory dues	20.75	31.73
Employee emoluments	105.46	92.29
	539.36	705.92

$ Also Refer Note 16

During the year, due to Covid -19 pandemic, the Company has deferred premature redemption of preference shares accordingly the same have been re-classified to non-current from current.

24 Other current liabilities

	As at March 31, 2020	As at March 31, 2019
Customer's credit balances and advances against orders	31.44	26.84
	31.44	26.84

25 Short Term - Provisions

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer Note No 36)	4.16	3.22
	4.16	3.22

(₹ in Lakhs)

26 Revenue from operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of goods	10,610.80	9,391.73
Export incentives	17.83	-
	10,628.63	9,391.73

27 Other income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income	6.50	14.56
Deferred revenue income	87.08	112.52
Gain on fair value of investment in mutual fund	0.79	-
Net profit on sale of plant, property and equipment	-	1.70
Unspent liabilities written back	1.62	1.58
Miscellaneous income	0.38	2.32
	96.37	132.68

28 Cost of materials consumed

	For the year ended March 31, 2020	For the year ended March 31, 2019
Chemicals and packing materials	7,909.32	7,221.79
	7,909.32	7,221.79

29 Changes in inventories of finished goods and work-in-progress

	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories as at March 31, 2020		
Work-in-progress	334.18	135.44
Finished goods	338.92	653.05
Total (A)	673.10	788.49
Inventories as at March 31, 2019		
Work-in-progress	135.44	30.55
Finished goods	653.05	644.11
Total (B)	788.49	674.66
Decrease/ (Increase) in inventories (B-A)	115.39	(113.83)

30 Employee benefits expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	992.18	800.21
Contribution to provident and other funds	38.63	28.64
Staff welfare expenses	49.65	52.86
	1,080.46	881.72

(₹ in Lakhs)

31 Finance costs

		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Interest on borrowings	271.87	211.97
(b)	Other borrowing costs	3.88	-
		275.75	211.97
	Less: Capitalized/ transferred to CWIP	22.87	12.36
		252.88	199.61

32 Depreciation and amortization expense

		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Depreciation on property, plant and equipment	158.98	106.47
(b)	Depreciation on right of use assets	1.38	-
(c)	Amortisation of intangible assets	5.65	3.36
		166.01	109.83

33 Other expenses

		For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores and spares		74.99	60.15
Job charges		12.41	10.47
Power and fuel		320.77	254.42
Rent		30.05	26.10
Rates and taxes		4.26	1.35
Repair and maintenance			
Machinery		86.81	37.42
Others		33.82	14.00
Travelling and conveyance		84.71	71.11
Legal and professional		72.85	69.07
Advertisement and business promotion		68.17	56.75
Auditor's remuneration (excluding GST)			
For statutory audit		3.00	3.00
For limited reviews		1.50	1.50
For tax audit		1.00	1.00
For GST audit		0.75	-
Certification and others		1.45	2.05
Reimbursement of expenses		1.06	0.62
Bad debts written off	24.97		
Less : Provision for expected credit losses	10.71	14.26	7.53
Provision for expected credit losses		11.50	-
Net loss on foreign currency transactions and translations		57.89	18.71
Net loss on sale of plant, property and equipment		1.55	-
Miscellaneous expenses		195.53	209.49
		1,078.33	844.72

(₹ in Lakhs except EPS)

34 Earnings per share

			For the year ended March 31, 2020	For the year ended March 31, 2019
A.	Basic earning per share			
	Profit for the year	₹	138.10	385.50
	No of shares at the beginning of the year	Numbers	1,45,94,421	1,45,94,421
	Add: Issued during the year	Numbers	3,17,59,530	-
	No of shares at the end of the year	Numbers	4,63,53,951	1,45,94,421
	Weighted average number of equity shares	Numbers	4,17,66,579	1,45,94,421
	Basic earnings per share of ₹ 1 each	₹	0.32	2.64
B.	Diluted earning per share			
	Weighted average number of equity shares	Numbers	4,17,66,579	1,45,94,421
Add:	Potential equity shares (equity share warrants)	Numbers	-	65,50,000
Add:	Compulsorily convertible preference shares	Numbers	55,46,162	65,18,320
	Total weighted average number of equity shares		4,73,12,741	2,76,62,741
	Profit attributable to equity shareholders		134.00	385.90
	Weighted average number of equity shares	Numbers	4,73,12,741	2,76,62,741
	Diluted earnings per share of ₹ 1 each	₹	0.28	1.40

35 Contingent Liabilities, Contingent Assets and Capital Commitments (as identified by the Company)

		As at March 31, 2020	As at March 31, 2019
A.	Contingent liabilities (not provided for) in respect of:		
	Claim against the Company not acknowledged as debts		
	- Demand raised by VAT department for various matters	11.67	11.67
	Total	11.67	11.67

Note : Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. However, the Company has reviewed all its pending litigation and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Company does not expects any payment in respect of the above contingent liabilities.

B. Capital Commitments

	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account [net of advances]	287.90	171.68
Total	287.90	171.68

(₹ in Lakhs)

36 Employee benefits

A. <u>Defined contribution plans</u>

Provident Fund: During the year, the Company has recognised ₹ 38.63 Lakhs (previous year ₹ 28.74 Lakhs) as contribution to employees provident fund in the statement of profit and loss.

B. <u>Defined benefit plans</u>

Gratuity: Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to maximum of ₹ 20 Lakhs at the time of separation from the company.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for defined benefit plans:

		Current Year	Previous Year
(i)	Reconciliation of fair value of plan assets and defined benefit obligation:		
	Fair value of plan assets	-	-
	Defined benefit obligation	73.88	55.02
	Net assets / (liability) recognised in the Balance Sheet at year end	(73.88)	(55.02)
(ii)	Changes in the present value of the defined benefit obligation are, as follows:		
	Defined benefit obligation at beginning of the year	55.02	39.44
	Current service cost	15.23	10.78
	Interest expense	4.21	3.05
	Benefits paid	(1.75)	(1.83)
	Actuarial (gain)/ loss on obligations - OCI	1.16	3.59
	Defined benefit obligation at year end	73.88	55.02
(iii)	Amount recognised in statement of profit and loss:		
	Current service cost	15.23	10.78
	Net interest expense	4.21	3.05
	Remeasurement of Net Benefit Liability/ Asset	1.16	3.59
	Amount recognised in statement of profit and loss	20.61	17.42
(iv)	Amount recognised in other comprehensive income:		
	Actuarial (gain)/ loss on obligations	1.16	3.59
	Return on plan assets (excluding amounts included in net interest expense)	-	-
	Amount recognised in other comprehensive income	1.16	3.59

(v) The Company has no plan assets.

		Current Year	Previous Year
(vi)	**The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:**		
	Discount rate (in %)	6.80%	7.66%
	Salary escalation (in %)	5.50%	5.50%
	Rate of return in plan assets (in %)	-	-
	Expected average working lives of employees (in years)	58	58
	Expected average remaining working lives of employees (in years)	21.80	21.01

(₹ in Lakhs)

36 Employee benefits (contd.)

(vii) A quantitative sensitivity analysis for significant assumption are given as below :

	As at March 31, 2020		As at March 31, 2019	
Sensitivity Level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
Effect of change in discount rate	(4.00)	4.34	(2.96)	3.21
Effect of change in salary escalation	3.87	(3.59)	2.88	(2.68)

a. The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

b. Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

c. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(viii) Maturity profile of defined benefit obligation :

	Current Year	Previous Year
Within next twelve months	2.30	2.09
Between one to five years	9.84	7.86
Beyond five years	61.75	45.08

37 Segment Information

(a) According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. “Pharmaceuticals” and substantially sale of the product is within the country. thereafter within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of ‘Segment Reporting’ is not considered applicable.

(b) One customer individually account for more than 10% of the revenue in the year ended 31st March, 2020 and 31st March, 2019.

(₹ in Lakhs)

38 Related Parties

A Related parties and their relationships (as identified by the management)

i) Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. Sameer Goel	Managing Director
Mr. Vipul Goel	Director (w.e.f. October 7, 2019)
Mr. Jagdeep Dhawan	Independent Director
Mrs. Richa Gupta	Independent Director
Mr. Sachin Goel	Director (till December 21, 2018), Brother of Managing Director
Mrs. Vandana Goel	Wife of Managing Director
Mr. Ved Prakash Goel	Father of Managing Director
Mrs. Santosh Goel	Mother of Managing Director
Mr. Sanjay Gupta	Chief Financial Officer
Mr. Abhishek Pandey	Company Secretary (w.e.f. September 27, 2018)
Ms. Pratibha Anand	Company Secretary (till August 24, 2018)

ii) Entity in which KMP and their relatives has significant influence (where transactions have taken place)
Biotavia Labs Pvt Ltd.
Zeneses Biosciences Pvt Ltd.
Biotavia Pharm Ltd.
Salutem Pharmaceuticals Pvt Ltd.
S G Bullion Impex Pvt Ltd.

B Transactions with the above in the ordinary course of business

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a)	Remuneration to Key Managerial Personnel $		
	- Short Term Employee Benefits	98.51	85.53
	$ Excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole.		
b)	Money received against share warrants and equity shares issued (including security premium)		
	Mr. Sachin Goel	117.89	-
	Mr. Sameer Goel	287.11	-
c)	Money received in earlier years against share warrants and equity shares issued (including security premium)		
	Mr. Sachin Goel	39.29	-
	Mr. Sameer Goel	95.71	-
d)	Conversion of CCPS to equity		
	Mr. Sachin Goel	0.30	-
	Mr. Sameer Goel	55.30	-
	Mr. Ved Prakash Goel	0.00	-
	Mr. Vipul Goel	0.00	
	Mrs. Santosh Goel	0.00	
	Mrs. Vandana Goel	0.00	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
e)	Purchase of goods		
	Biotavia Labs Pvt Ltd.	-	153.75
	Zeneses Biosciences Pvt Ltd.	-	40.42
	Biotavia Pharm Ltd.	1.14	20.67
f)	Sale of goods		
	Salutem Pharmaceuticals Pvt Ltd.	-	21.70
g)	Loan received		
	Mr. Sameer Goel	-	60.00
	Biotavia Labs Pvt Ltd.	617.80	-
	S G Bullion Impex Pvt Ltd.	650.00	-
h)	Loan repaid		
	Mr. Sameer Goel	85.00	-
	Biotavia Labs Pvt Ltd.	1,429.31	-
	Biotavia Pharm Ltd.	57.87	-

i) Also refer note refer note 17.A.b and 21 for gurantee related transactions

C Balances Outstanding

Particulars	As at March 31, 2020	As at March 31, 2019
Mr. Sameer Goel		
- Unsecured loan payable	206.20	291.20
- Salary payable	4.44	17.85
Mrs. Vandana Goel		
- Salary payable	1.00	1.00
Mr. Sanjay Gupta		
- Recievable	5.88	0.48
Biotavia Labs Pvt Ltd.		
- Recievable	-	3.33
- Unsecured loan payable	235.51	1,047.01
Biotavia Pharm Ltd.		
- Payable	-	4.32
- Unsecured loan payable	-	57.87
Salutem Pharmaceuticals Pvt Ltd.		
- Recievable	3.00	17.92
S G Bullion Impex Pvt Ltd.		
- Unsecured loan payable	650.00	-

Terms and conditions related to Outstanding balances :

1) Trade and others receivables are receivable in cash within 30 days of the due date and are unsecured.

2) All outstanding payables are unsecured and payable in cash.

(₹ in Lakhs)

39 Financial Instruments

A) Set out below, is a comparison by class of the carrying amounts and fair value of the **Company's** financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

		As at March 31, 2020		As at March 31, 2019	
		Carrying Value	Fair Value	Carrying Value	Fair Value
(a)	Measured at fair value through Profit and Loss				
	Financial assets				
	Investments- Current	41.72	41.72	1.04	1.04
		41.72	41.72	1.04	1.04
(b)	Measured at amortised cost				
(i)	Financial assets				
	Other financial Assets				
	- Non Current	14.28	14.28	14.14	14.14
	- Current	33.17	33.17	18.29	18.29
	Trade receivables	3,732.57	3,732.57	2,912.14	2,912.14
	Cash and cash equivalents	23.18	23.18	9.44	9.44
	Other Bank balances	54.14	54.14	116.90	116.90
		3,857.34	3,857.34	3,070.91	3,070.91
(ii)	Financial liabilities				
	Borrowings				
	- Non Current	2,430.97	2,430.97	2,410.97	2,410.97
	- Current	632.02	632.02	541.98	541.98
	Trade payables	2,656.23	2,656.23	1,766.22	1,766.22
	Other financial Liabilities				
	- Non Current	411.39	411.39	-	-
	- Current	539.36	539.36	705.92	705.92
		6,669.96	6,669.96	5,425.10	5,425.10

Fair value of cash and bank, other bank balances, trade receivables, other financial assets, interest bearing borrowings, trade payables and other financial liabilities (except redeemable non-convertible cumulative preference shares) approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of interest free borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

B) Fair value hierarchy

The fair value of financial instruments as referred (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:-

Level 1: Quoted prices / net assets value for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There is no transfer between level 1 to level 2.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

a) Financial assets and liabilities measured at fair value - recurring fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b) measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(i) Financial Instruments measured at FVTPL

As at 31st March 2020	Level 1	Level 2	Level 3	Total
Investments				
- Equity Shares	0.78	-	-	0.78
- Debt oriented mutual fund	40.94	-	-	40.94

As at 31st March 2019	Level 1	Level 2	Level 3	Total
Investments				
- Equity Shares	1.04	-	-	1.04

(ii) Financial Instruments measured at amortised cost

As at 31st March 2020	Level 1	Level 2	Level 3	Total
- Preference shares	-	-	411.39	411.39

As at 31st March 2019	Level 1	Level 2	Level 3	Total
- Preference shares	-	-	400.00	400.00

b) Valuation process and technique used to determine fair value

- The fair value of investments in quoted equity shares and mutual funds are based on the current bid price of respective investment as at the balance sheet date.
- In case of preference shares, the Company has used valuation report of external valuer. Valuation was derived using discounted cash flow method which was based on present value of the expected future economic benefit.

c) Fair value measurements using significant unobservable inputs (level 3)

Type of Financial Instruments	Fair Value as at		Discounting Rate	Significant unobservable	Sensitivity
	March 31, 2020	March 31, 2019			
Preference shares	411.39	400.00	9% (previous year NIL)	Risk-adjusted discount rate	Change of (+) 50 / (-) 50 basis points - Fair value would change by 1.00 Lakhs respectively

(₹ in Lakhs)

40 Financial risk management objectives and policies

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 processes to ensure that executive management controls risks through the mechanism of property defined framework.

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 limits. Risk management policies and systems are reviewed by the board annually 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 Company's Audit Committee oversees 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. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of

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

- Credit risk;
- Liquidity risk; and
- Market risk

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 and arises principally from the Company’s trade receivables, cash and cash equivalents, and financial assets measured at amortised cost. Exposure to credit risk is mitigated through regular monitoring of collections, counterparty’s creditworthiness and diversification in exposure.

Trade and other receivables:

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 analyzed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. The Company’s review includes market check, industry feedback, past financials and external ratings, if they are available. Sale limits are established for each customer and reviewed periodically.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables.

The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties. The ageing analysis of the receivables has been considered from the date the invoice falls due :

Particulars		Less than 6 months	6-12 months	More than 12 months	Total
As at March 31, 2020	Past due	3,686.77	26.74	19.06	3,732.57
As at March 31, 2019	Past due	2,842.70	30.50	38.94	2,912.14

During the year, the Company has made write-offs ₹ 24.97 Lakhs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

(₹ in Lakhs)

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 fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out in accordance with practice and limits set by the Company. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing Arrangement

The cash credit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Indian rupee and have an average maturity within a year.

Maturity profile of Financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	< 1 year	1-3 years	3-5 years	> 5 years	Total
Year ended 31 March 2020					
Borrowings	961.00	2,185.67	245.30	-	3,391.97
Trade payables	2,656.23	-	-	-	2,656.23
Other financial liabilities	210.37	-	-	800.00	1,010.37
	3,827.59	2,185.67	245.30	800.00	7,058.57
Year ended 31 March 2019					
Borrowings	649.71	1,852.15	558.82	-	3,060.68
Trade payables	1,766.22	-	-	-	1,766.22
Other financial liabilities	705.92	-	-	-	705.92
	3,121.85	1,852.15	558.82	-	5,532.83

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is exposed to interest rate risk because Company borrows funds at both floating interest rates. These exposures are reviewed by appropriate levels of management. The Company regularly monitors the market rate of interest to mitigate the risk exposure. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows.

(₹ in Lakhs)

	Increase / Decrease in basis point	Effect on profit before tax	Increase / Decrease in basis point	Effect on profit before tax
	As at March 31, 2020		As at March 31, 2019	
Borrowings from banks and others	+50%	(8.07)	+50%	(3.56)
Borrowings from banks and others	-50%	8.07	-50%	3.56

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foriegn currency risk primerly related to raw purchase purchases. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Exposure to Financial Derivatives

The Company has not entered into derivative instruments to hedge their foreign currency contracts. Foreign currency exposure that are not hedged by a derivative instrument as at Balance Sheet are as follows

		As at March 31, 2020			As at March 31, 2019		
	Currency	Foreign Currency in Lakhs	Amount	Conversion Rate	Foreign Currency in Lakhs	Amount	Conversion Rate
Unhedged Exposure							
Trade Receivables	USD	3.50	264.15	75.39	-	-	-
Trade Payables	USD	(20.31)	(1,530.84)	75.39	(17.79)	(1,230.32)	69.17
Trade Payables	EURO	(0.05)	(4.15)	83.05	-	-	-
Total		(16.85)	(1,270.84)		(17.79)	(1,230.32)	

Foreign currency sensitivity

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO. The risk is measured through a forecast of highly probable foreign currency cash flows.

	Currency		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD sensitivity			Profit and Loss		Equity, after tax	
INR/USD- increase ł USD	USD		(12.67)	(12.36)	(12.67)	(12.36)
INR/USD- decrease USD	USD		12.67	(12.36)	12.67	(12.36)

*Holding all other variables constant

(₹ in Lakhs)

41 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There were no changes in the objectives, policies or processes for managing capital during the period under reporting.

	As at March 31, 2020	As at March 31, 2019
Equity share capital	463.54	145.94
Instruments entirely equity in nature (CCPS)	9.59	65.18
Other equity (including capital contribution)	864.06	399.62
Shareholders' fund	1,337.19	610.75
Non - Current Borrowings including their current maturities	2,759.96	2,928.31
0.1% Redeemable non-convertible cumulative preference shares of Rs. 10 each	847.24	400.00
Current borrowings	632.02	541.98
Total debts	4,239.21	3,870.29
Less : Cash & cash equivalents	23.18	9.44
Net debts	5,553.22	4,471.61
Capital & Net Debts	6,890.41	5,082.35
Debt Equity Ratio	3.17	6.34
Capital Gearing Ratio	80.59%	87.98%

42 Tax expense

(a) Reconciliation of effective tax

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net profit before tax	122.60	380.57
At India's statutory income tax rate of 25.168% (Previous year: 34.944%)	30.86	132.99
Non-deductible expenses for tax purposes:		
(a) Tax effect of weighted deduction allowed	-	(72.22)
(b) Tax effect of items not deductible	4.13	1.31
(c) Tax effect of items brought forward losses and other items	(36.04)	(40.36)
(d) Deferred taxes (assets)/liabilities not recognised in earlier years	1.05	(21.71)
Income tax expense reported in the statement of profit and loss	-	-

(b) Deferred tax assets have not been recognised in respect of business losses and unabsorbed depreciation aggregating to ₹ 628.19 Lakhs (Previous year: ₹ 762.00 Lakhs) as there is no convincing evidence that sufficient taxable profits will be available in the future against which such the deferred tax assets can be realised in the normal course of business of the Company.

(c) The amounts and expiry dates, if any, of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the balance sheet are given below :

Particulars	Year of expiry	Amount
Unabsorbed depreciation	No expiry	558.72
Business loss	AY 2024-25	69.47
		628.19

(₹ in Lakhs)

43 Other Notes

(a) The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2020 basis the rate prescribed in the said section.

(b) Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

(c) As per Ind AS 7, the Company is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Company has issued 40,00,000 0.1% redeemable non-convertible cumulative preference shares of ₹ 10 upon conversion of loan and 40,00,000 0.1% redeemable non-convertible cumulative preference shares of ₹ 10 where were issued in earlier years, were reclassifed to non-current from current.

44 Recognition of In house Research & Development Facility & Expenses incurred:

The Company has set up state of art research & development centre with the registered office premises but in a separate building/unit at village: bhondsi, tehsil: Sohna, district : Gurgaon, Haryana for development of new product/processes, improvement in existing product process for cost reduction & to develop new APIs. The same set up was established in 2014-15 at Bhiwadi and subsequently shifted in late 2016 to Gurgaon. The said Facility is duly recognised & approved by department of Scientific and Industrial Research (DSIR) vide registration no. TU/IV-RD/4410/2018 dated January 22, 2019. The Company has maintained separate accounts for its R&D Facility and proper records have been maintained as per the Income Tax Rules & as prescribed by DSIR in this regard.

Details of capital & revenue expenditure are disclosed in note to accounts of audited statements and consolidated these figure in the respective heads of accounts.

a) Revenue Expenditure (as identified by the management)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Chemicals & consumables consumed	63.57	52.40
Employee benefits expense	227.42	160.74
Administration expenses-allocated	74.44	40.62
Depreciation	52.74	30.42
Grand Total	418.18	284.19

b) Capital Expenditure (as identified by the management)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Plant and machinery	105.68	97.96
Furniture and fixtures	1.23	0.12
Computers	1.82	-
Office equipments	0.86	1.79
Intangible assets	0.76	-
Grand Total	110.36	99.87

45 Leases

As a Lessee

(i) On April 1, 2019, the Company adopted Ind AS 116 "Leases", which resulted in the recognition of right-of-use assets and lease liabilities for lease contracts. Carrying amount of right-of-use asset and lease liability at the date of initial application i.e. April 1, 2019 is the carrying amount of the lease asset and lease liability classified as finance lease under Ind AS 17 on March 31, 2019. The carrying amount of finance lease assets (leasehold land) and lease liabilities was ₹ 111.68 Lakhs and Nil, respectively as of March 31, 2019.

Following the application of the modified retrospective method at the date of implementation of Ind AS 116 i.e. April 1, 2019, Right of Use Assets of ₹ 111.68 lakhs were recognized which includes finance lease assets (previously classified under property plant & equipment) amounting to ₹ 111.68 lakhs and present value of future lease obligations ₹ NIL.

(ii) There were no impacts on retained earnings upon implementation of Ind AS 116 "Leases".

(iii) The Company recognizes the expenses of short-term leases on a straight-line basis over the lease term. The expenses related to short-term leases are ₹ 30.05 Lakhs for the year ended March 31, 2020.

(iv) There are no income from subleasing right-of-use assets nor any gains or losses from sales and leaseback for the year ended March 31, 2020.

(v) There are no variable lease payments for the year ended March 31, 2020.

(vi) Total cash outflow on leases for the year ended March 31, 2020 was ₹ 30.05 lakhs.

46 Estimation uncertainty relating to the global health pandemic on COVID-19

COVID - 19 pandemic has caused serious disruption on the global economic and business environment. There is a huge uncertainty with regard to its impact which cannot be reasonably determined at this stage. However, the Company has evaluated and considered to the extent possible the likely impact that may arise from COVID-19 pandemic as well as all event and circumstances upto the date of approval of these financial statements on the carrying value of its assets and liabilities as on 31.3.2020. Based on the current indicators of future economic conditions, the Company estimates to recover the carrying amount of its assets. The Company has adequate liquidity to discharge its obligations. These estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. The Company is continuously monitoring any material changes in future economic conditions.

47 Previous year's figures have been regrouped/ recasted wherever necessary to conform to the current year's Classification.

For and on behalf of Board of Directors

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SD/-
Bimal Kumar Sipani
Partner
Membership No. 088926

Place : Noida (Delhi-NCR)
Date: June 26, 2020

SD/-
Sameer Goel
Managing Director
DIN: 00161786

SD/-
Vipul Goel
Director
DIN: 00064274

SD/-
Abhishek Pandey
Company Secretary

SD/-
Sanjay Gupta
Chief Financial Officer

Place : New Delhi
Date: June 26, 2020