

Kimia Biosciences Ltd.

(Formerly Known as Laurel Organics Limited)



**26th Annual Report
Financial Year 2018-19**

Board of Directors:

Mr. Sameer Goel
Managing Director

Mr. Jagdeep Dhawan
Independent Director

Mrs. Richa Gupta
Independent Director

Mr. Vipul Goel
Additional Director

Key Managerial Personnel:

Mr. Sanjay Gupta
Chief Financial Officer

Mr. Abhishek Kumar Pandey
Company Secretary

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,
info@kimiabiosciences.com

Statutory Auditors:

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

Secretarial Auditors:

M/s VLA Associates
Company Secretaries
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

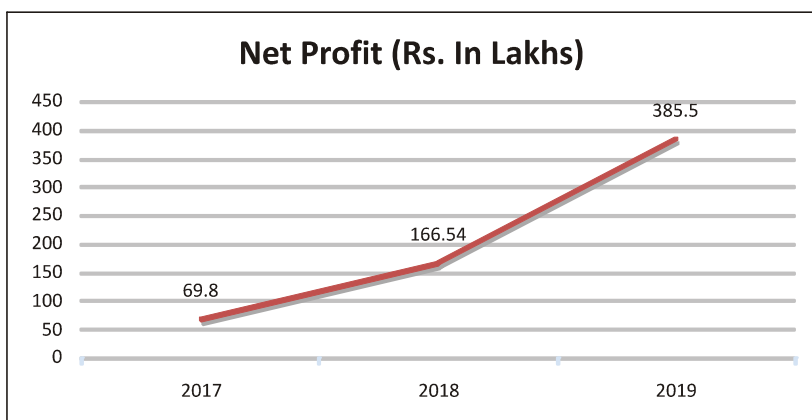
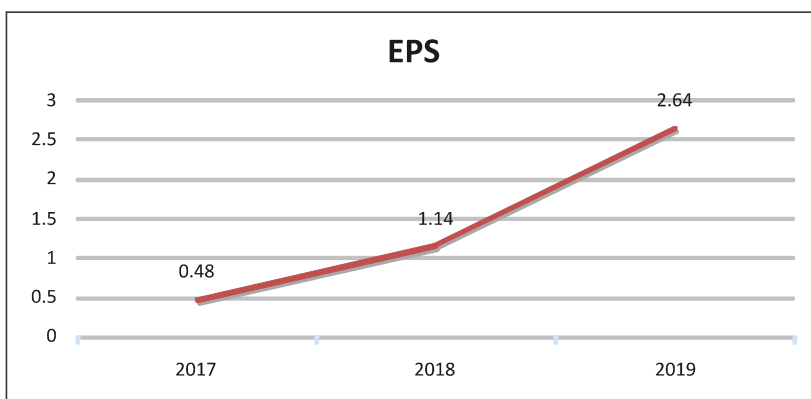
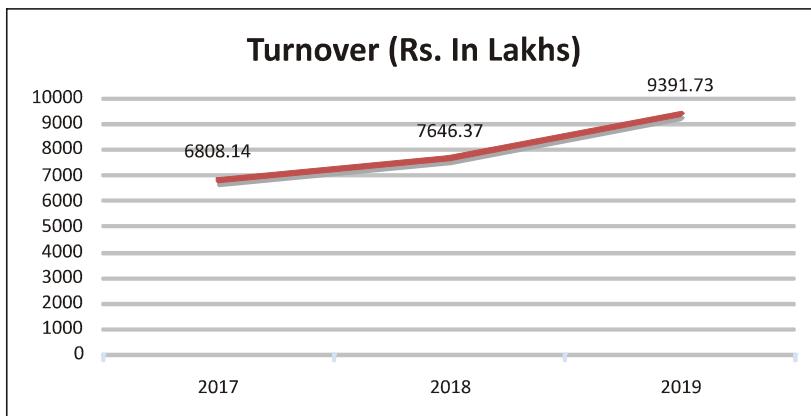
Banker:

- **State Bank Of India**
- **HDFC Bank Limited**

Corporate Office:

Office No. 974, 9th Floor,
Aggarwal Millenium Tower-II,
Netaji Subhash Place, Pitampura,
New Delhi - 110034

YEAR 2018-19 AT A GLANCE



AS ON MARCH 31, 2019, YOUR COMPANY HAS ENTERED INTO THE LIST OF TOP 2000 COMPANIES OF BSE LIMITED, BASED ON MARKET CAPITALISATION

R&D AND GROWTH

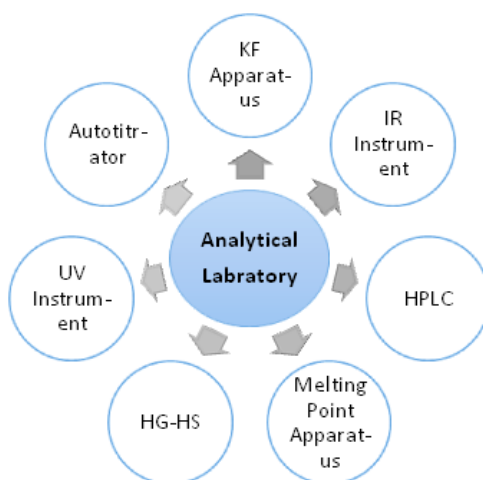
The objective of R&D program is to research and develop new improved drugs with the goal of addressing unmet patient needs with more meticulous resources and to establish a robust portfolio for a new generation of treatments. Kimia is committed to do significant investments in drug research and development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

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 has developed Process technologies, cost improvements & in house key Raw materials and commercialized more than 15 products by now and 9-10 molecules are under development to be commercialized in next 1-2 year. The R&D strength has increased significantly to more than 30 chemists/analysts in the recent past and currently about 9-10 Molecules are under development including molecules such as Vildagliptin, Fimasartan potassium, PhenylepherineHCl, Levetiracetam, Citicoline, Montelukast 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.



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KIMIA BIOSCIENCES LIMITED

(Formerly Known as Laurel Organics Limited)

Registered Office: Village Bhondsi Tehsil SohnaDistt., Gurgaon-122102, Haryana, India,
Tel: +91-9654206544, 9654746544, Fax : 011-47063601, CIN No. L24239HR1993PLC032120
Website: www.laurel.co.in Email ID: laurelorganicslimited@gmail.com, info@kimiabiosciences.com

NOTICE OF 26TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Sixth (26th) Annual General Meeting of Members of Kimia Biosciences Limited (Formerly Known as Laurel Organics Limited) will be held on Saturday, 28th September, 2019 at 12.30 pm at the Registered Office of the Company at Village Bhondsi, Tehsil SohnaDistt., Gurugram - 122102 (Haryana), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Financial Statements of the Company including the Audited Balance Sheet as at March 31, 2019, Statement of Profit and Loss for the year ended March 31, 2019 together with the reports of the Board of Directors and the Auditors.
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 payable to Mr. Sameer Goel, Managing Director**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with Schedule V to the said Act, and the Rules made thereunder and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), as amended from time to time, subject to the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for revision in the remuneration of Mr. Sameer Goel (DIN 00161786), Managing Director of Rs. 500,000/- per month including other perquisites and allowances as mentioned in the explanatory statement w.e.f. 01.10.2019 upto his existing tenure with liberty to the Board of Directors to alter and/or modify the terms and conditions, including remuneration, benefits and perquisites payable/made available to the appointee as it may deem fit and as may be acceptable to Mr. Sameer Goel.

RESOLVED FURTHER THAT in the event of loss and during the term of Mr. Sameer Goel, the remuneration as mentioned in the resolution shall be paid to him as minimum remuneration including any increment/ change in the remuneration.

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. **To approve the remuneration of the Cost Auditors for the financial year ending 31st March, 2020.**

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, 2020, 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.

5. Re-classification of Authorized Share Capital

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

"RESOLVED THAT pursuant to the provisions of Section 13, 61 and 64 of Companies Act, 2013 (the "Act") and such other provisions as may be applicable, read with relevant rules made thereunder, and the provisions of Memorandum of Association and Articles of Association of the Company, the existing Authorized Share Capital of Rs. 16,38,50,000 (Rupees Sixteen Crore Thirty-Eight Lacs Fifty Thousand) comprising of:

- i. Rs. 11,73,31,680/- (Rupees Eleven Crore Seventy-three Lakh Thirty-one Thousand Six Hundred Eighty only) divided into 11,73,31,680 (Eleven Crore Seventy-three Lakh Thirty-one Thousand Six Hundred Eighty) Equity shares of Re. 1/- (Rupee One Only) each;
- ii. Rs. 4,00,00,000 (Rupees Four crores only) divided into 40,00,000 (Forty Lakh) Preference Shares of Rs. 10/- (Rupees Ten Only);
- iii. 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;

be and is hereby re-classified in the manner as follows:

- i. Rs. 77,331,680/- (Rupees Seven Crore Seventy-three Lakh Thirty-one Thousand Six Hundred Eighty only) divided into 77,331,680 (Seven Crore Seventy-three Lakh Thirty-one Thousand Six Hundred Eighty) Equity shares of Re. 1/- (Rupee One Only) each;
- ii. Rs. 8,00,00,000 (Rupees Eight crores only) divided into 80,00,000 (Eighty Lakh) Preference Shares of Rs. 10/- (Rupees Ten Only);
- iii. 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;

RESOLVED FURTHER THAT pursuant to Section 13, 61 and 64 of the Act and all other applicable provisions, if any, the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted with the following new Clause V as under:

"V. The Authorized Share Capital of the Company is Rs. 16,38,50,000 (Rupees Sixteen Crore Thirty-Eight Lacs Fifty Thousand) 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, 80,00,000 (Eighty Lakh) Preference Shares of Rs. 10/- (Rupees Ten Only) each and 65,18,320 (Sixty Five Lakh Eighteen Thousand Three Hundred Twenty) Compulsory Convertible Preference Shares of Re. 1/- (Rupee One Only) each."

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors/Committee(s) of the Board be and are hereby authorized severally to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient and to sign, execute and submit all the requisite documents with the appropriate authority including filing of requisite documents with the Registrar of Companies."

6. Issuance of Non-Convertible Cumulative Redeemable Preference Shares

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

"RESOLVED THAT pursuant to the provisions of Section 42 & 55 of Companies Act, 2013 (the "Act") and such other provisions as may be applicable and rules made thereunder (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), enabling provisions of Memorandum of Association and Articles of Association of the Company and subject to such approvals, consents, permissions and/ or sanctions, as may be required, the consent of members of the Company be and is hereby accorded to Board (including any Committee thereof) to offer, issue and allot 40,00,000 (Forty Lacs) 0.1% Non-Convertible

Cumulative Redeemable Preference Shares ("NCRPS") of face value of Rs. 10/- (Rupees Ten Only) each fully paid up, at par, to "M/s Enkay Foam Private Limited", being an entity belonging to non-promoter category, pursuant to conversion of unsecured loan amounting to Rs. 4,00,00,000/- (Rupees Four Crore Only), obtained from them, on such terms and conditions as may be determined by the Board.

RESOLVED FURTHER THAT the NCRPS proposed to be so allotted, shall be subject to the relevant provisions contained in the Memorandum of Association and Articles of Association of the Company.

RESOLVED FURTHER THAT in accordance with the provisions of Section 55 of the Act read with relevant rules made there under, the particulars in respect of Preference Share to be issued are as under:

- i. The Preference Shares shall rank for dividend in priority to the Equity shares of the company for the time being;
- ii. The Preference Shares shall carry a preferential right vis-à-vis Equity shares of the company with respect to repayment of capital and arrears of dividend, whether declared or not, up to the commencement of winding up;
- iii. The Preference Shares shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the company;
- iv. The payment of dividend shall be on cumulative basis;
- v. The Preference Shares shall be Non-Convertible;
- vi. Each Preference share shall carry a dividend right of 0.1% p.a.
- vii. The voting rights of the persons holding the said Preference shares shall be in accordance with the provisions of Section 47(2) of the Act (including any statutory modifications or re-enactments thereof for the time being in force);
- viii. The proposed NCRPS would be issued for a period not exceeding 10 years at face value of Rs. 10/- each.

RESOLVED FURTHER THAT the Board, including any Committee thereof, be and is hereby authorized to do all such acts, deeds and things and take all such steps and actions, and also give such directions and delegations, as it may in its absolute discretion deem fit, including paying such fees and incurring such expenses in relation thereto and file documents, forms, etc. as required to be filed under the Act with the regulatory/statutory authorities and authorize the officials of the Company for the aforesaid purpose, as deemed fit."

**By the Order of the Board of Directors
For Kimia Biosciences Limited
(Formerly known as Laurel Organics Limited)**

**Date: 26-08-2019
Place: New Delhi**

**Sd/-
SAMEER GOEL
Managing Director
DIN No. : 00161786**

Notes:

1. 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.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/ HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Proxies, in order to be effective should be duly stamped, completed, signed and must be sent to the Company so as to receive at its Registered Office not later than 48 hours before the commencement of the Annual General Meeting (AGM).

4. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting ('AGM').
5. 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.
6. 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 at the venue.
7. Members are requested to bring their copies of Annual Report and attendance slip at the Meeting and Members who wish to obtain information on the Financial Statements for the year ended March 31, 2019 may send their queries at least seven days before the Annual General Meeting to the Compliance Officer & Company Secretary at the registered/ or corporate office of the Company or by way of email on laurelorganicslimited@gmail.com.
8. Electronic Copy of Notice of AGM along-with the Annual Report for the financial year 2018-19 is being sent to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication. For Members who have not registered their email address, physical copies of Notice of AGM along-with the Annual Report for 2018-19 is being sent by the permitted mode. Members may also note that Notice along-with Annual Report will also being placed on the Company's official website i.e. www.laurel.co.in and physical copies thereof will also be available at the Company's Registered Office for inspection during normal business hours on working days.
9. 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 HarsukhdasMandir, Delhi 110062 either physically or by sending mail on beetalrta@gmail.com.
10. Members who are 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.
11. 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.
12. Subject to receipt of requisite number of votes, the resolution(s) at item no. 1 to 6in Notice of AGM shall be deemed to be passed at the 26th Annual General Meeting of the Company scheduled to be held on Saturday, 28th September, 2019.
13. The Company has decided to close the Register of Members and the Share Transfer Register on September 25, 2019 upto September 28, 2019, 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, 2019.
14. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities 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.
15. 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.
16. Voting through electronic means:
 - l. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration)

Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, 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).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 25th September, 2019 (9:00 am) and ends on 27th September, 2019 (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, 2019, 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.
- V. 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.

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***

- iv. Your password details are given below:
- a. If you are already registered for e-Voting, then you can use 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, your 'initial password' is communicated to you on your postal address.
- v. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - 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.nsd.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsd.com. 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.
- vi. 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.nsd.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.
- VI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September, 2019.
- VIII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st September, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or beetalrta@gmail.com/ beetal@beetalfinancial.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800- 222-990.
- IX. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- X. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XI. Ms. Navneet Kaur, Proprietor of M/s N. K. Chandok & Associates (Company Secretaries), has been appointed as Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company viz. www.laurel.co.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**By the Order of the Board of Directors
For Kimia Biosciences Limited
(Formerly known as Laurel Organics Limited)**

**Date: 26-08-2019
Place: New Delhi**

**Sd/-
SAMEER GOEL
Managing Director
DIN No. : 00161786**

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

ITEM NO. 3

Mr. Sameer Goel was appointed as Managing Director for a period of 5 (five) years w.e.f March 29, 2016 vide resolution passed by the shareholders in the AGM held on September 30, 2016. The Nomination and Remuneration Committee at its meeting held on August 26, 2019 has approved and recommended the revision in the remuneration payable to Mr. Sameer Goel and the same has also been approved by the Board of Directors.

The revised terms and conditions of appointment are set out below:

COMPENSATION DETAILS

		Annual	Monthly
		6000000	500000
Fixed Component (Gross) A			
Basic	(50% of Gross)	3000000	250000
HRA	(50% of Basic)	1500000	125000
SPECIAL ALLOWANCE	Fixed	734000	61167
Newspaper & Journal Allowance	Fixed	12000	1000
Attire Allowance	Fixed	24000	2000
Reimbursements			
Vehicle maintenance & Petrol	5% of gross	300000	25000
TOTAL A		5570000	464167
Annual Benefit - B			
Leave & travel Allowance	Fixed and Annual	250000	20833
TOTAL B		250000	20833
Other Benefits Contribution C			
L.W.F.	Fixed	600	50
Medical Insurance	(As per SI, No. of members and their age band)	12500	1042
Group Personal Accident	(As per SI and age band)	1000	83
PF(Employer)	(12% of Basic fixed at 15000p.m.)	21600	1800
Gratuity (Employer)	(4.81% of Basic)	144300	12025
Own your asset scheme	As per policy	0	0
Other benefits if any	As per eligibility or management's discretion	0	0
TOTAL C		180000	15000
TOTAL REMUNERATION (A+B+C)		6000000	500000

Note: Mr Sameer Goel will also be entitled to yearly increment of 10% p. a. of Total Remuneration.

Minimum remuneration:

Where in any financial year during the currency of the tenure of appointment, the Company has no profit or its profits are inadequate, the Company will take the aforesaid remuneration by way of salary, perquisites and other benefits payable to Mr. Sameer Goel as Minimum Remuneration subject to the requisite approvals.

Information as required under Secretarial Standards -2 and Regulation 36 of SEBI (LODR) Regulations 2015 in respect of the aforesaid director is provided below:

S. No.	Particulars	Details
1)	Brief Resume	Mr. Sameer Goel holds a tall stature in the Indian API market with more than 22 years of experience and has strong multi-dimensional capabilities in the areas of Business Development, Product Development, Strategic Marketing and Operations Management.
2)	Age	45 years
3)	Qualification	Graduate
4)	Experience	22 years
5)	Nature of his expertise in specific functional areas	Business Development, Product Development, Strategic Marketing and Operations Management.
6)	Date of first appointment on the Board	29th March 2016
7)	Remuneration last drawn	Rs. 48,00,000/- p.a. from Kimia Biosciences Limited (formerly known as Laurel Organics Limited)
8)	Shareholding in the company held either by them or on a beneficial basis for any other persons each	As on date: 2,36,48,591 equity shares of Re. 1/-
9)	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Brother of Mr. Vipul Goel (Non-Executive Director)
10)	The number of meetings of the Board attended during the year and	8(Eight) meetings of the Board have been attended during the Financial Year 2018-19
11)	Other Directorships, Membership/ Chairmanship of Committees of other Boards	As on Date no other Directorship in any other company

The letter depicting the aforesaid revision is available for inspection by the members of the Company between hours of 11 a.m. and 1 p.m. on any working day except and other public holiday till 28th September, 2019 and will also be available at the meeting.

A statement containing required information as per section II of Part II of Schedule V of the Companies Act, 2013

General Information:

i.	Nature of Industry	Kimia Biosciences Ltd™ is engaged in manufacturing of bulk drugs addressing to various high potential therapeutic segments and has envisaged high growth plans through infrastructure creation and CMS.		
ii.	Date of commencement of Commercial production:	October 19, 1993		
iii.	Financial performance based on given indicators:	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
		Net Sales/ Income from operation	9391.73	7646.37

Total Income	9524.41	7731.94
Expenses	9143.84	7571.53
Profit before Tax	380.57	160.41
Less: Deferred Taxcharge/ (credit)	(4.93)	(6.13)
Profit After Tax	385.50	166.54
Other comprehensive income for the year	(3.59)	(0.19)
Total Comprehensive income for the year	381.91	166.35
Earnings per Share (Basic)	2.64	1.14
Earnings per Share (Diluted)	1.39	0.75

iv. Foreign Investments or collaborators, if any: NIL

Information about the appointee:

- i. Background details: Mr. Sameer Goel holds a tall stature in the Indian API market with more than 22 years of experience and has strong multi-dimensional capabilities in the areas of Business Development, Product Development, Strategic Marketing and Operations Management. He has played a key leadership role with various organizations in acquiring and aligning the strong support of professional networks, business partners and executive teams to accomplish expertise in manufacturing, sales, marketing and trading of various APIs and its Intermediates. Currently, Mr. Goel is responsible for providing overall leadership in achieving business & product development goals and formation of strategic partnerships in Business.
- ii. Past remuneration: Rs. 48,00,000/- p.a. from Kimia Biosciences Limited (formerly known as Laurel Organics Limited)
- iii. Recognition or awards: N.A.
- iv. Job profile and suitability: Business Development, Product Development, Strategic Marketing and Operations Management.
- v. Remuneration proposed: Rs. 60,00,000/- p.a. with 10% yearly increment.
- vi. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: There are no set standards for remuneration in the industry. The executive remuneration in the industry has been increasing significantly in last few years. Keeping in view the type /trends in the industry, size of the Company, the profile and responsibilities shouldered by Mr. Sameer Goel, the Board believes that the remuneration proposed to be paid to him as Managing Director is appropriate and commensurate with the industry standards.

Further the remuneration proposed to be paid to him is in accordance with the Nomination and Remuneration Policy of the Company and as per the approval and

recommendation of Nomination and Remuneration Committee of the Board.

- vii. Pecuniary relationship directly/indirectly with the Company or managerial personnel if any: Withdraw remuneration from the Company as stated above.

Other Information:

- i. Reasons of loss or inadequate profits: In past, losses were on account of slowdown in market and economy and recurring huge Fixed expenses.
- ii. Steps taken or proposed to be taken for improvement: Plant expansion and product development as per Board Report.
- iii. Expected increase in productivity and profits in measurable terms: The objective and focus of the Board of Directors is to take the Company to heights in pharmaceutical industry. Towards this end, the company has already put in place the required roadmap and in the backdrop of the re-engineered business model and sound R&D, it is hoped to sustain the profitability in the FY 2019-20 and thereafter to grow its profitability in the vicinity of 30 %.

No person, as specified under Section 102(1)(a) of the Act, other than Mr. Sameer Goel, Mr. Vipul Goel, Mr. Sachin Goel (Brother of Mr. Sameer Goel), Mrs. Vandana Goel (Wife of Mr. Sameer Goel), Mr. Ved Prakash Goel (Father of Mr. Sameer Goel), Mrs. Santosh Goel (Mother of Mr. Sameer Goel) and Mrs. Deepa Goel (Wife of Mr. Sachin Goel), is in any way concerned or interested in this Resolution proposed to be passed.

The Board considers that the proposed resolution is in the interest of the Company and recommends the same for your approval via Ordinary Resolution.

ITEM NO. 4

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, 2020, 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 of Directors of your company considers that the proposed Ordinary Resolution is in the interest of the Company and recommends the same for your approval.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. The Board commends the Ordinary resolution set out at Item No 4 of the Notice for approval by the members.

ITEM NO. 5:

The Board of Directors of the Company proposes to re-classify and amend the Memorandum of Association of the Company pursuant to the provisions of Section 13, 61 and 64 of the Companies Act, 2013 (the "Act") and the rules framed thereunder.

The present Authorized Share Capital of the Company is Rs. 16,38,50,000 divided into 11,73,31,680 Equity Shares of Re. 1/- each, 40,00,000 Preference Shares of Rs. 10/- each and 65,18,320 Compulsory Convertible Preference Shares of Re. 1/- each.

A separate proposal for issuance of 40,00,000 (Forty Lacs) 0.1% Non-Convertible Redeemable Preference Shares of face value of Rs. 10/- each has been submitted for the approval of Shareholders under item no. 6 of this Notice.

Accordingly, the equity capital component of authorised capital is sought to be reclassified into preference share capital and it is proposed that the existing Authorised Share Capital of the Company is reclassified to Rs. 16,38,50,000 comprising of Rs. 77,331,680/- divided into 77,331,680 Equity shares of Re. 1/- each, Rs. 8,00,00,000 divided into 80,00,000 Preference Shares of Rs. 10/-, Rs. 65,18,320/- divided into 65,18,320 Compulsory Convertible Preference Shares of Re. 1/- each

The Resolution seeks approval of Members to reclassify the Authorized Share Capital of the Company and to alter the Clause V of the Memorandum of Articles.

Thus, the Board of Directors of the Company seeks approval of the members by way of passing of Ordinary Resolution.

None of the Directors and other Key Managerial Personnel of the company or their relatives are, in any way, deemed to be concerned or interested financially or otherwise, in the said resolution.

ITEM NO. 6:

The Company has obtained the unsecured loan amounting to Rs. 4,00,00,000/- from M/s. Enkay Foam Private Limited, being the person belonging to public category, to meet working capital requirement.

In order to rebuild the net worth and to strengthen the financial position of the company, it is proposed to convert the said loan amounting to Rs. 4,00,00,000/- into 40,00,000 (Forty Lacs) 0.1% Non-Convertible Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) per share at par in one or more tranches.

The said issue of preference shares by the company upon the conversion of loan would entail compliance in terms of provisions of Sections 42 and 55 of the Companies Act, 2013 (the "Act") and the Rules framed thereunder.

Given below are the terms of issue of Preference Shares and a Statement of Disclosures as required under Rule 9(3) of the Companies (Share Capital and Debenture) Rules, 2014:

The size of the issue and number of preference shares to be issued and nominal value of each share	Rs. 4,00,00,000/- (Rupees Four Crore Only) divided into 40,00,000 (Forty Lacs) Preference Shares of face value of Rs. 10/- (Rupees Ten Only) per share.
The nature of shares to be issued	Non-Convertible, Non-Participating, Cumulative Redeemable Preference Shares,
The objectives of the issue	Conversion of unsecured loan in order to rebuild the net worth and to strengthen the financial position of the company
The manner of issue of shares	Conversion of existing unsecured loans into Preference Shares of the company on Private Placement basis
The price at which the shares are proposed to be issued	Rs. 10/- per share
Basis on which price has been arrived at	The proposed issue price of RPS is Rs. 10/- each and the same has been computed on the basis of negotiations.
The terms of issue, including the terms and rate of dividend on each share etc.	i. The Preference Shares shall rank for dividend in priority to the Equity shares of the company for the time being;

ii. The Preference Shares shall carry a preferential right vis-à-vis Equity shares of the company with respect to repayment of capital and arrears of dividend, whether declared or not, up to the commencement of winding up;

iii. The Preference Shares shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the company;

iv. The payment of dividend shall be on cumulative basis;

v. The Preference Shares shall be Non-Convertible;

vi. Each Preference share shall carry a dividend right of 0.1% p.a.

vii. The voting rights of the persons holding the said Preference shares shall be in accordance with the provisions of Section 47(2) of the Act (including any statutory modifications or re-enactments thereof for the time being in force);

The terms and tenure of redemption

The proposed NCRPS would be issued for a period not exceeding 10 years at face value of Rs. 10/- each.

The manner and mode of redemption

The preference shares shall be redeemed at par as per the provisions of Section 55 of the Act.

Current Shareholding Pattern of the company

Particulars	No. of Shares	%age
Promoter & Promoter Group	28937521	70.93
Public	11856900	29.07
Total	40794421	100.00

The expected dilution in the current equity share capital upon the conversion of preference shares

Nil, since the preference shares are non-convertible

Further, there is no subsisting default in the redemption of preference shares issued by the Company or in payment of dividend due on any preference shares issued by the company.

None of the directors or other Key Managerial Personnel of the company or their relatives are, in any way, deemed to be concerned or interested financially or otherwise, in the said resolution.

Further, in terms of provisions of Section 42 and 55 of the Act, approval of members by way of Special Resolution is required.

**By the Order of the Board of Directors
For Kimia Biosciences Limited
(Formerly known as Laurel Organics Limited)**

**Date: 26-08-2019
Place: New Delhi**

**Sd/-
SAMEER GOEL
Managing Director
DIN No. : 00161786**

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 (26th) Annual Report together with the Audited Financial Statement and Auditor's Report of your Company for the year ended 31st March, 2019.

FINANCIAL OUTLOOK

FINANCIAL HIGHLIGHTS

Particulars	Year Ended March 31, 2019	(Rs. In lacs)
		Year Ended March 31, 2018
Net Sales/ Income from operation	9391.73	7646.37
Total Income	9524.41	7731.94
Expenses	9143.84	7571.53
Profit before Tax	380.57	160.41
Less: Deferred Taxcharge/(credit)	(4.93)	(6.13)
Profit After Tax	385.50	166.54
Other comprehensive income for the year	(3.59)	(0.19)
Total Comprehensive income for the year	381.91	166.35
Earnings per Share (Basic)	2.64	1.14
Earnings per Share (Diluted)	1.39	0.75

Note: The Financials statements are prepared on the basis of amalgamated figures upon Scheme of Amalgamation as approved by the Hon'ble NCLT vide order dated 21st August, 2018.

CHANGE IN ACCOUNTING TREATMENT

There has been no change in the accounting policies during the period under review. However Amalgamated financial figures have been incorporated in the books of account w.e.f. appointed date i.e., April 01, 2016 as per the Scheme of Arrangement for Amalgamation sanctioned by NCLT order dated 21st August, 2018.

SHARE CAPITAL

During the year under review, the Composite Scheme of Arrangement for Reduction of Share Capital upto 90% by altering the face value of paid up Equity Share Capital and Amalgamation of the Company (Transferee Company) with Kimia Biosciences Limited (Transferor Company) vide Honorable National Company Law Tribunal, Chandigarh, order dated August 21, 2018, effective from September 17, 2018.

As per the Scheme for every 100 equity share of Rs. 10/- each of Transferor Company, 990 Equity Shares & 590 Convertible Cumulative Preference Shares of The Transferee Company of Re. 1/-each were issued.

The Share Capital thereafter is as follows:

i. Authorized share capital:

Particulars	Amt. (Rs.)
Equity Shares - 11,73,31,680 of face value of Rs. 1/- each	11,73,31,680
Compulsory Convertible Preference Share - 65,18,320 of Re. 1/-each	6,518,320
0.1% Redeemable Non-Convertible Cumulative Preference Share - 40,00,000 of Rs. 10/-each	40,000,000

Total Authorized Share Capital

163,850,000

ii. Issued, Subscribed and Paid-up Share capital

Particulars	Amt. (Rs.)
1,45,94,421 Equity Shares of Re. 1/- each	Rs. 1,45,94,421/-
6,518,320 Compulsory Convertible Preference Share of Re. 1/- each	Rs. 6,518,320/-
0.1% Redeemable Non-Convertible Cumulative Preference Share - 40,00,000 of Rs. 10/-each	Rs. 40,000,000/-

Note:

As at the end of the financial year, the issued, subscribed paid-up share capital remains as above. In addition to this 26,20,000 Fully Convertible Warrants were outstanding at the end of financial year, which were allotted on preferential basis on Feb 15, 2018, prior to Scheme of Arrangement becoming effective, at a face value of Rs. 10/- each including premium of Rs. 20/- each. However, post Scheme of Arrangement becoming effective (as approved by Hon'ble NCLT, Chandigarh vide its order dated August 21, 2018), the Face Value of the Equity Shares of the Company has been reduced from Rs. 10/- each to Re. 1/- each and accordingly, upon conversion of Warrants, each warrants are convertible into 10 Equity shares of the Face Value of Re. 1/- each, at a premium of Rs. 2/- each.

HOLDING, SUBSIDIARY, ASSOCIATE COMPANIES

Upon Scheme of Amalgamation becoming effective on 17.09.2018, M/s. Kimia Biosciences Limited holding Company having 37,28,100 Equity Shares (50.48%) of Rs. 10/- each of the Company got merged under reverse merger with the Company, hence there is no holding/subsidiary companies at the close of the year.

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 amounting to Rs. 385.50/- lacs has been transferred to the Reserves (Retained Earnings). 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 not raised any funds through issue of any securities during the year 2018-19.

BUSINESS OUTLOOK**STATE OF COMPANY'S AFFAIRS**

The company has achieved amalgamated (on account of merger) turnover of 93.91 lakh during the financial year with a year to year growth of 23% with a net profit equivalent to more than double compare to the previous financial year.

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. Recently, the company has applied with WHO certification for some of its products and likely to get the same.

- Brief details of the license obtained- Grant of Manufacturing License on Form 25 and 28 for manufacturing of Biological and Non- Biological Drugs.
- Relevance of such license to the listed entity- The Company shall initiate the process of manufacturing final product bulk drugs - Active Pharmaceutical Ingredients (APIs);
- Period for which such license is valid- 5 years i.e. up to 06-04-2022.

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. 12 crores during Financial Year 2019-20 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. 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.

Pursuant to Scheme of Amalgamation as approved by NCLT vide its order dated August 21, 2018, the business of the transferor company, which was engaged in the business of Sale & Manufacturing of Bulk Drugs (API), was merged with the business of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

The Honorable National Company Law Tribunal, Chandigarh, in the matter CP(CAA)No.17/Chd/Hry/2017 vide its order dated August 21, 2018, sanctioned a scheme of arrangement for reduction of share capital and amalgamation under sections 230 to 232 of the Companies Act, 2013.

The brief details of the Scheme of Arrangement is as follows:

The said Scheme is broadly divided into two parts:

- (1) Internal Reorganization of Share Capital of the Company wherein the past accumulated losses will be written off against 90% of the paid up equity capital of the Company by reducing the face value of Equity Share of the Company, from Rs. 10/- each to Re. 1/- each.
- (2) Amalgamation of Kimia Biosciences Limited (Transferor Company) with the Company (Transferee Company), the entire Business and whole of the undertaking(s), properties and liabilities of the Transferor Company shall stand transferred and vested in the Transferee Company as a going concern and shall become the properties and liabilities of the Transferee Company and the Transferee Company shall allot:

"990 (Nine Hundred Ninety) Equity shares of face value of Re. 1 (Rupee One) each and 590 (Five Hundred Ninety) Compulsory Convertible Preference Shares (CCPS) of Re. 1 (Rupee One) each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs.10/- (Rupees Ten) held in the transferor company"

In accordance with the scheme, Kimia Biosciences Limited (Transferor Company) amalgamates with the Company (Transferee Company) with effect from the appointed date i.e. 1st April 2016. The transferor company was engaged in the business of Sale & Manufacturing of Bulk Drugs (API). The amalgamation is expected to channelize synergies and lead to better utilization of available resources and result in greater economies of scale. Consequently following effect took place during the year according to the sanctioned scheme of arrangement:

- a) All the property, rights and powers of the Transferor Company stand transferred to and vested in, without further act or deed, the Transferee Company

- b) All the liabilities and duties of the Transferor Company transferred to, and become the liabilities and duties of the Transferee Company
- c) The equity shares held by the Transferor Company in Transferee Company stand extinguished and the Transferee Company without transfer application, allotted to the existing members of the Transferor Company shares of Transferee Company to which they were entitled under the said Scheme of Amalgamation. As per the Scheme for every 100 equity share of Transferor Company 990 Equity Shares & 590 Convertible Cumulative Preference Shares of The Transferee Company of Rs. 1/-each shall be issued.
- d) The Company, after receipt of the Order of NCLT sanctioning Scheme of Amalgamation has delivered a certified copy of the said Order to the Registrar of Companies, NCT, Delhi for Registration on 17th September, 2019 and on such delivery of copy of said Order, the Transferor Company stand dissolved without undergoing the process of winding up.
- e) The name of Transferee company Laurel Organics Ltd. has been changed to Kimia Biosciences Limited and fresh certificate of incorporation was issued by Registrar of Companies, NCT, New Delhi w.e.f. 04/01/2019 in compliance of the Order of NCLT.
- f) There is no change or deviation in the Accounting Policies of the Transferor and Transferee Company, hence, no impact on the amalgamated Financial Statements.
- g) The Reserve & Surplus is preserved accounted for as the same is appearing in the Financial Statement of Transferor Company.
- h) The amount of difference between the consideration and the value of net identifiable assets has been accounted for under Reserve & Surplus i.e. General Reserve.

NAME CHANGE

Pursuant to the Scheme of Amalgamation between "Kimia Biosciences Limited" ("Transferor Company") and "Laurel Organics Limited" ("Transferee Company") duly approved by Hon'ble NCLT Chandigarh Bench vide their order dated 21.08.2018, was duly effected on 17.09.2018, by filing INC-28 with Registrar of Companies.

In terms of Clause 1.5 of Part-IV of the said scheme, the name of the Company was changed to "Kimia Biosciences Limited" from "Laurel Organics Limited". Further, such name change was duly approved by Registrar of Companies vide their fresh certificate of name change dated 04.01.2019 and by BSE Limited vide its notice dated 11.03.2019.

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 crores and the Net worth is less than Rs. 25 crore as on March 31, 2018 as well as on March 31, 2019. 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.

During the year under review, following securities of Company were listed and traded on BSE Limited:

- i. 73,85,000 Equity Shares of Re. 1/- each (bearing DNR 1 to 73,85,000) pursuant to scheme of arrangement approved by Hon'ble NCLT Chandigarh Bench;
- ii. 1,09,37,521 Equity Shares of face value of Re.1/- each (bearing DNR 7385001 - 18322521) pursuant to scheme of amalgamation approved by Hon'ble NCLT Chandigarh Bench.

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. Sachin Goel, Director of the company has resigned from the Board with effect from 21/12/2018. Mr. Vipul Goel has been appointed as additional Director retire by rotation on the Board of the company w.e.f. 21/12/2018 under Non-Executive Promoter Category, who retires at the 26th Annual General Meeting (AGM) and is eligible for re-appointment

Mr. Abhishek Kumar Pandey was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 27/09/2018 in place of Ms. Pratibha Anand who resigned w.e.f. 24/08/2018.

Mr. Sanjay Gupta was appointed in the Company as Chief Financial Officer (CFO) on 29th September, 2017 and continuing under the provisions of Section 203 of the Act.

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, Eight Board Meetings were held on 25.05.2018, 13.08.2018, 24.08.2018, 27.09.2018, 12.11.2018, 21.12.2018, 11.02.2019 and 30.03.2019.

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	2	NIL	8	8	Yes
Mr. Sachin Goel (Ceases w.e.f. 21.12.2018)	Director/ NED	3	NIL	6	6	Yes
Mr. Jagdeep Dhawan	Independent Director	NIL	NIL	8	8	Yes
Mrs. Richa Gupta	Independent Director	NIL	NIL	8	8	Yes
Mr. Vipul Goel (appointed w.e.f. 21.12.2018)	Additional Director/ NED	3	NIL	2	2	N.A.

MEETING IDs: The IDs of the Company met on March 31, 2019 under the chairmanship of Mr. JagdeepDhawan without the presence of Non-Independent Directors or management personnel to review the performance of Non-Independent Directors, the Board, Committees and the Chairperson. The meeting also reviewed the quality, quantity and timeliness of flow of information between the Company and the Board. The terms and conditions of appointment of Independent Directors have been placed on the website of the Company www.laurel.co.in. The details of familiarization programs for Independent Directors have been provided in the Directors' Report and posted on the website of the Company and can be accessed at the web link: [http:// www.laurel.co.in](http://www.laurel.co.in).

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, five meetings of the Committee were held on 25.05.2018, 13.08.2018, 24.08.2018, 12.11.2018, and 11.02.2019

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	ED - 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 25.05.2018, 24.08.2018, 27.09.2018, 21.12.2018 and 11.02.2019.

The composition of the Committee is given below:

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

The Company Secretary provide 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://laurel.co.in/docs/Nomination-and-Remuneration-Policy.pdf>

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 four times on 30.05.2018, 20.08.2018, 20.11.2018, and 20.02.2019. 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	D
Mrs. Richa Gupta	D
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.

As per Schedule IV to the Companies Act, 2013 a separate meeting of Independent Directors was held on March 31, 2019, where Independent Directors, reviewed the performance of Non-Independent Directors, the Board as a whole, and the Chairman of the Company.

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.39 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, 2019, 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, 2019 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, 2019, 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
- (ii) the steps taken by the company for utilizing alternate sources of energy
- (iii) the capital investment on energy conservation equipment

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.

(B) TECHNOLOGY ABSORPTION-

- (i) the efforts made towards technology absorption
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution
- (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
- (iv) the expenditure incurred on Research and Development

The Company is engaged in the process of updating latest Technology(ies).

Processes developed for APIs:

- Azelidipine, (Antihypertensive, Vasodilator)
- Prucalopride Succinate (chronic constipation treatment
- Acotiamide Hydrochloride Hydrate(for treatment of Postprandial fullness upper abdominal bloating)

Cost Improvements:

- Luliconazole
- Teneligliptin Hydrobromide Hydrate

Key raw materials made In-House:

- 1-(3-methyl-1-phenyl-5-pyrazolyl) piperazine
- Cyanomethyl imidazole Hydrochloride

Capex Rs 154.19 lakhs & Recurring expenditure Rs. 284.19 Lakhs (Total 438.38)

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO-

The total foreign exchange used and the total foreign exchange earned during the year as compared to the previous financial year has been provided here under:

Foreign Exchange Earnings & Outgo	Current Year (2018-19)	Previous Year (2017-18)
Inflow	24.75 Lakhs (USD 0.35 Lakh)	35.05 Lakhs (USD 0.54 Lakh)
Outflow	5942.60 lakhs (USD-84 lakhs)	Rs. 4234.04 lakhs (USD 64.82 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

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 as Annexure IV- A.

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 IV-B. 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

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 amalgamated Financial Statements for the year ended March 31, 2019 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 2018-19.

The report of the Secretarial Auditors for the year ended March 31, 2019 is enclosed as Annexure-II to this report. The Board considered the observation as to delivery of share certificates by delay of 12 days and provided proper justification that the said dispatch was delayed due delay on account of regulatory process for obtaining approval of name change.

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 26thAnnual 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.

Except, during the year 2019-20, out of afore mentioned 26,20,000 Warrants, the Company received the request for conversion of 8,73,200 Warrants and 17,46,800 Warrants into 87,32,000 Equity Shares and 1,74,68,000 Equity Shares of Re. 1/- each at a premium of Rs. 2/- per share, and the same were allotted on June 19, 2019 and July 01, 2019 respectively, to the respective Warrant-holders, on payment of balance consideration of Rs. 589.50 lacs in terms of applicable laws.

The funds so raised were utilized have been fully utilized as on date, towards the objects so stated in the offer document and there is no deviation thereof.

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 in Form MGT-9 is annexed as Annexure-III.

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 of Directors
KIMIA BIOSCIENCES LTD
(Formerly LAUREL ORGANICS LIMITED)**

**Date: 26-08-2019
Place: New Delhi**

**Sd/-
SAMEER GOEL
Managing Director
(DIN No. : 00161786)**

**Sd/-
VIPUL GOEL
Additional Director
(DIN: 00064274)**

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

With the development and advancement of technology, the Pharma industry of India has entered into various segments of pharmacy and drugs manufacturing.



Domestic Pharmaceutical Market

The pharmaceutical sector was valued at US\$ 45 billion in 2018. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4 per cent over 2016-21 to reach US\$ 60 billion. India's pharmaceutical exports stood at US\$ 20.27 billion in 2018-19 and are expected to reach US\$ 22 billion by 2021.

Indian companies received 360 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2018. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 80-90 billion US generics market.

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



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.

This 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 (2014-2019) 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 pharmaceutical sector was valued at US\$ 45 billion in 2018. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4 per cent over 2016-21 to reach US\$ 60 billion. India's pharmaceutical exports stood at US\$ 20.27 billion in FY18-19 and are expected to reach at US\$ 22 billion in FY 2021.

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

Indian companies received 360 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2018. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 80-90 billion US generics market.

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\$ 100 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:

- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.
- In October 2018, the Uttar Pradesh Government announced that it will set up six Pharma parks in the state and has received investment commitments of more than Rs 5,000-6,000 Crore (US\$ 712-855 million) for the same.
- The National Health Protection Scheme is largest government funded healthcare program 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 program was announced in Union Budget 2018-19.
- In March 2018, the Drug Controller General of India (DCGI) announced its plans to start a single-window facility to provide consents, approvals and other information. The move is aimed at giving a push to the Make in India initiative.
- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order 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 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 Biosciences as 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 GMP certificate on Form 25 & 28 dated 25-07-2017 for manufacturing for sale or distribution of Bulk Drugs (APIs) formulations, under the provisions of Schedule 'M' of Drugs & Cosmetic Rules, 1945.

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.

Intellectual property department has initiated filing of patents of following products:

S. No	Patent Title	Application No
1	Process for the preparation of anhydrous form of Benfotiamine	Provisional filing
2	Phenylephrine Hydrochloride	Provisional filing
3	Fimasartan potassium	Provisional filing

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 9391.73 Lac for the year 2018-19 in comparison 7646.37 Lac for the year 2017-18.

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

In the context of people employed, there have been increase 42% in workforce employed during the financial year 2018-19 as compared to the previous year.

Details of significant changes in the Key Financial Ratios

Ratios	31/Mar/19	31/Mar/18	% change	Explanation for change >25%
i) Debtors Turnover	3.20	3.47	-8%	Due to Profit earned in Current year, Equity increased substantially whereas debt remained same, hence this change.
(ii) Inventory Turnover	7.31	8.71	-16%	
(iii) Interest Coverage Ratio	2.91	3.76	-23%	Substantial change in OP observed due reduction in COGS & increase in Gross profit ratio linked with increase in revenue/sales.
(iv) Current Ratio	1.56	1.39	12%	
(v) Debt Equity Ratio	4.84	12.80	-62%	
(vi) Gross Profit Margin (%)	24%	22%	8%	Net profit margin increased as a result of reduction in Raw material cost due to process improvement and backward integration in Key products with R&D support backed by control on fixed cost on Increased revenue/sales.
(vii) Operating Profit Margin (%)	5%	2%	174%	
(viii) Net Profit Margin (%)	4%	2%	88%	

Detail of changes in the Return on Net Worth

Ratios	31/Mar/19	31/Mar/18	% change
Change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof	63%	73%	-14%

Date: 22.05.2019

Place: New Delhi

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019**

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

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kimia Biosciences Limited (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, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 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, 1998- 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 year under 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. There was change in the composition of the Board of Directors that took place during the year under review. The Company has complied the provisions of the Act *except that share certificate in respect of allotment made pursuant to Hon'ble National Company Law Tribunal ('NCLT') order in amalgamation dated 21st August 2018 on 19th November, 2018 were delivered on 31st January, 2019 to its respective allottees by the delay of 12 days in terms of provision of Section 56 the Act happened due to regulatory delay in new name approval process from authority.*

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.

I further report that during the audit period, the Company has taken the following major decisions/events:-

Pursuant to the scheme of amalgamation of the Kimia Biosciences Limited with Laurel Organics Limited duly approved by the Hon'ble NCLT, Chandigarh Bench, the following events took place during the audit period:

- i. The NCLT order dated 21st August, 2018 was passed under Section 230-232 of the Act sanctioning the scheme of amalgamation and has duly filed by the Company in e-form INC-28 with Registrar of Companies.
- ii. The Company, in its Board meeting held on 19th November, 2018 allotted 10,937,521 (One Crore Nine Lakh Thirty Seven Thousand Five Hundred Twenty One) equity shares of face value of Re. 1 (Rupee One) each and 65,18,320 (Sixty Five Lakh Eighteen Thousand Three Hundred Twenty) Compulsorily Convertible Preference Shares (CCPS) of face value of Re. 1 (Rupee One) each to the shareholders of Kimia Biosciences Limited.
- iii. Laurel Organics Limited reorganized its share capital by reducing its paid up share capital to Rs. 36,56,900 (Rupees Thirty Six Lakh Fifty Six Thousand Nine Hundred) divided into 36,56,900 (Thirty Six Lakh Fifty Six Thousand Nine Hundred) equity shares of face value of Re. 1 (Rupee One) each.
- iv. Laurel Organics Limited changed its name to Kimia Biosciences Limited and has duly filed e-form MGT-14 with Registrar of Companies.

**For VLA & Associates
(Company Secretaries)**

**Sd/-
Vishal Lochan Aggarwal
(Proprietor)
FCS No.: 7241
C P No.: 7622**

**Place: New Delhi
Date: 16th August, 2019**

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2019**

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN - L24239HR1993PLC032120
- ii) Registration Date - 27th September 1993
- iii) Name of the Company - KIMIA BIOSCIENCES LIMITED (Formerly LAUREL ORGANICS LIMITED)
- iv) Category/Sub-Category of the Company - Public Company / Company Limited by shares/ Indian Non-Govt. Co.
- v) Address of the Registered Office and contact details - Village Bhondsi, Tehsil Sohna, Dist Gurgaon-122102, Haryana.
Tel: +91-9654206544, 9654746544
Email ID: laurelorganicslimited@gmail.com, info@kimiabiosciences.com.
Website: www.laurel.co.in
- vi) Whether listed company (Yes/No) - Yes
- vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any - Beetal Financial & Computer Services (P) Limited, Beetal House, 3rd Floor, 99 Madangir, New Delhi-110062
Tel: 011-29961281
Email ID: beetalrta@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products/services	NIC Code of the product /service	% to total turnover of the Company
1	Chemical & Pharmaceutical Products (Bulk Drug Intermediates, APIs manufacturing)	99623700	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

IV. SHARE HOLDING PATTERN

(i) Category-wise Share Holding

S. No.	Category of Shareholders		No. of shares held at the beginning of the year (01.04.2018)				No. of shares held at the end of the year (31.03.2019)				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters										
1	Indian										
a)	Individual	0	0	0	0	10937521	0	10937521	74.9432	74.94	
b)	Huf	0	0	0	0	0	0	0	0	0	
c)	Central Govt /state Govt/ President Of India	0	0	0	0	0	0	0	0	0	
d)	Financial Inst/banks	0	0	0	0	0	0	0	0	0	
e)	Any other	0	0	0	0	0	0	0	0	0	
	KIMIA BIOSCIENCES LIMITED	3728100	0	3728100	50.48	0	0	0	0	-50.48	
	Sub-total (A) (1):-	3728100	0	3728100	50.48	10937521	0	10937521	74.94	24.46	
2	Foreign										
a)	NRIs- Individuals	0	0	0	0	0	0	0	0	0	
b)	Other- Individuals	0	0	0	0	0	0	0	0	0	
c)	Bodies Corporate	0	0	0	0	0	0	0	0	0	
d)	Banks/ FI	0	0	0	0	0	0	0	0	0	
e)	Any Other	0	0	0	0	0	0	0	0	0	
	Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0	
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	3728100	0	3728100	50.48	10937521	0	10937521	74.94	24.46	
B.	Public shareholding										
1	Institutions										
a)	Mutual Funds	0	181100	181100	2.45	0	181100	181100	1.24	-1.21	
b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0	0	
c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0	0	
d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0	0	
e)	Foreign Portfolio Investors	0	0	0	0.00	0	0	0	0	0	
f)	Financial Inst/banks	0	0	0	0.00	0	0	0	0	0	
g)	Insurance Companies	0	0	0	0.00	0	0	0	0	0	
h)	Provident Funds/ Pension Fund	0	0	0	0.00	0	0	0	0	0	
i)	Any other	0	0	0	0.00	0	0	0	0	0	
	Sub-total (B) (1):-	0	181100	181100	2.45	0	181100	181100	1.24	-1.21	
2	Non- Institutions										
a)	Bodies Corporate										
i)	Indian	24900	112000	136900	1.85	82306	100600	182906	1.25	-0.60	
ii)	Overseas	0	100000	100000	1.35	0	100000	100000	0.68	-0.67	
b)	Individuals										
i)	Individual shareholders holding nominal share capital upto Rs. 2 Lakh	262700.00	2299100	2561800	34.69	500253.00	2133400	2633653	18.05	-16.64	
ii)	Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	96800	60000	156800	2.12	0	0	0	0.00	-2.12	
c)	Others (specify)										
I.	Clearing Members	1500	0	1500	0.02	240	0	240	0.00	-0.02	
II.	NRIs	200	506600	506800	6.86	41600	502600	544200	3.73	-3.13	
III.	HUF	8600	3400	12000	0.16	14201	600	14801	0.10	-0.06	
IV.	Unclaimed Shares Suspende Account-Clause 5A	0	0	0	0	0	0	0	0.00	0.00	
	Sub-total (B) (2):-	394700	3081100	3475800	47.07	638600	2837200	3475800	23.81	-23.26	
	Total Public Shareholding (B)=(B)(1)+(B)(2)	394700	3262200	3656900	49.52	638600	3018300	3656900	25.05	-24.47	
C.	Shares held by Custodian for GDRs & ADRs										
		0	0	0	0	0	0	0	0	0	
	Grand Total (A+B+C)	4122800	3262200	7385000	100.00	11576121	3018300	14594421	99.99	-24.47	

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Kimia Biosciences Limited (Formerly known as Kimia Biosciences Pvt. Ltd)	3728100	50.48	0	0	0.00	0	-50.48
2	Deepa Goel	0	0	0	10	0.00	0	0
3	Sachin Goel	0	0	0	49500	0.3392	0	0.3392
4	Sameer Goel	0	0	0	10887971	74.6037	0	74.6037
5	Santosh Goel	0	0	0	10	0.00	0	0
6	Vandana Goel	0	0	0	10	0.00	0	0
7	Ved Prakash Goel	0	0	0	10	0.00	0	0
8	Vipul Goel	0	0	0	10	0.00	0	0
Total		3728100	50.48	0	10937521	74.94	0	24.46

V. CHANGE IN PROMOTER'S SHAREHOLDING

Sl. No.	Name		Shareholding at the beginning of the year		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	KIMIA BIOSCIENCES LTD	Beginning of the Year	3728100	50.48	01.04.2018		CANCELLATION OF SHARES ON ACCOUNT CROSS HOLDING	3728100	50.48
		During the year	3728100	50.48	17.09.2018	DECREASE		3728100	50.48
		End of the Year	0	0	31.03.2019	0		0	0
2	DEEPA GOEL	Beginning of the Year	0	0	01.04.2018		ALLOTMENT PURSUANT TO SCHEME	0	0
		During the year	10	0	19.11.2018	Increase/		10	0
		End of the Year	10	0	31.03.2019	0		10	0
3	SACHIN GOEL	Beginning of the Year	0	0	01.04.2018		ALLOTMENT PURSUANT TO SCHEME	0	0
		During the year	49500	0.3392	19.11.2018	Increase/		49500	0.3392
		End of the Year	49500	0.3392	31.03.2019	0		49500	0.3392
4	SAMEER GOEL	Beginning of the Year	0	0	01.04.2018		ALLOTMENT PURSUANT TO SCHEME	0	0
		During the year	10887971	74.6037	19.11.2018	Increase/		10887971	74.6037
		End of the Year	10887971	74.6037	31.03.2019	0		10887971	74.6037
5	SANTOSH GOEL	Beginning of the Year	0	0	01.04.2018		ALLOTMENT PURSUANT TO SCHEME	0	0
		During the year	10	0	19.11.2018	Increase/		10	0
		End of the Year	10	0	31.03.2019	0		10	0
6	VANDANA GOEL	Beginning of the Year	0	0	01.04.2018		-	0	0
		During the year	10	0	19.11.2018	Increase/		10	0
		End of the Year	10	0	31.03.2019	0		10	0
7	VED PRAKASH GOEL	Beginning of the Year	0	0	01.04.2018		ALLOTMENT PURSUANT TO SCHEME	0	0
		During the year	10	0	19.11.2018	Increase/		10	0
		End of the Year	10	0	31.03.2019	0		10	0
8	VIPUL GOEL	Beginning of the Year	0	0	01.04.2018		ALLOTMENT PURSUANT TO SCHEME	0	0
		During the year	10	0	19.11.2018	Increase/		10	0
		End of the Year	10	0	31.03.2019	0		10	0

VI. SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS:

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name		Shareholding at the beginning of the year		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	SATISH CHANDER SHAH	Beginning of the Year	102500	1.39	31-Mar-18			102500	1.39
		End of the Year	102500	1.39	30-Mar-19		NIL	102500	1.39
2	SOPTEX DEVELOPMENTS LTD	Beginning of the Year	100000	1.35	31-Mar-18			100000	1.35
		End of the Year	100000	1.35	30-Mar-19		NIL	100000	1.35
3	INDIAN BANK A/C INDIAN BANK MUTUAL FUND	Beginning of the Year	94700	1.28	31-Mar-18			94700	1.28
		End of the Year	94700	1.28	30-Mar-19		NIL	94700	1.28
4	SOUTHERN INDIA DEPOSITORY SERVICES P.LTD	Beginning of the Year	81100	1.1	31-Mar-18			81100	1.1
		End of the Year	81100	1.1	30-Mar-19		NIL	81100	1.1
5	MARY GEORGE	Beginning of the Year	36700	0.497	05-Oct-18				
		During the year			02-Nov-18	1500	Purchase	31500	0.4265
		During the year			09-Nov-18	300	Purchase	31800	0.4306
		During the year			16-Nov-18	9600	Purchase	41400	0.5606
		End of the Year			18-Jan-19	-41400	Sell	0	0
6	MANJU PURUSHOTTAM CHAMDIA	Beginning of the Year	35500	0.4807	29-Jun-18				
		During the year			18-Jan-19	-35500	Sell	0	0
7	PARVEEN KUMAR GUPTA	Beginning of the Year	31000	0.4198	31-Mar-18				
		During the year			20-Apr-18	310000	Purchase	341000	4.6175
		During the year			27-Apr-18	-310000	Sell	31000	0.4198
		End of the Year			08-Feb-19	-31000	Sell	0	0
8	MAHENDRA J SHAH	Beginning of the Year	30000	0.4062			NIL	30000	0.4062
		During the year	30000	0.4062			NIL	30000	0.4062
9	HITESH J SHAH	Beginning of the Year	30000	0.4062	31-Mar-18		NIL	30000	0.4062
		During the year	30000	0.4062	30-Mar-19		NIL	30000	0.4062
10	NARENDRA K BANSAL	Beginning of the Year	30000	0.4062	31-Mar-18		NIL	30000	0.4062
		During the year	30000	0.4062	30-Mar-19		NIL	30000	0.4062

VII. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	Name		Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
			(01.04.2018)					No. of Shares	% of total shares of the Company
			No. of Shares	% of total shares of the Company					
1	SACHIN GOEL	Beginning of the Year	0	0	01.04.2018	0	ALLOTMENT PURSUANT TO SCHEME	0	0
	(resigned from Directorship w.e.f. 21.12.2018)	During the year	49500	0.3392	19.11.2018	Increase		49500	0.3392
		End of the Year	49500	0.3392	31.03.2019	0		49500	0.3392
2	SAMEER GOEL	Beginning of the Year	0	0	01.04.2018	0	ALLOTMENT PURSUANT TO SCHEME	0	0
		During the year	10887971	74.6037	19.11.2018	Increase/		10887971	74.6037
		End of the Year	10887971	74.6037	31.03.2019	0		10887971	74.6037
3	VIPUL GOEL	Beginning of the Year	0	0	01.04.2018	0	ALLOTMENT PURSUANT TO SCHEME	0	0
	(appointed w.e.f. 21.12.2018)	During the year	10	0	19.11.2018	Increase/		10	0
		End of the Year	10	0	31.03.2019	0		10	0

VIII. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	434.85	2514.32	0	2949.17
ii) Interest due but not paid	0	0	0	0
iii) Interest Accrued but not due	0	0.92	0	0.92
Total (i+ii+iii)	434.85	2515.24	0	2950.09
Change in Indebtedness during the financial year				
Addition	276.86	245.31	0	522.17
Reduction	0	0	0	0
Net Change	276.86	245.31	0	522.17
Indebtedness at the end of the financial year				
i) Principal Amount	711.71	2758.58	0	3470.29
ii) Interest due but not paid	0	0	0	0
iii) Interest Accrued but not due	0	1.97	0	1.97
Total (i+ii+iii)	711.71	2760.55	0	3472.26

IX. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of Managing Director Whole time Director/ Manager Mr. Sameer Goel (Managing Director)	Total Amount (in Rs.)
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	48,00,000*	48,00,000
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- as % of profit	Nil	Nil
	- Others, specify	Nil	Nil
5	Others, please specify	Nil	Nil
	Total(A)	48,00,000	48,00,000
	Ceiling as per Companies Act, 2013	84,00,000	84,00,000

*Salary has been computed after giving effect of Scheme of amalgamation sanctioned by NCLT Chandigarh order dated 21.08.2018

B. Remuneration to Other Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (in Rs.)
		Mr. Sachin Goel (till 21.12.2018)	Mr. Vipul Goel (w.e.f. 21.12.2018)	Mr. Jagdeep Dhawan	Mrs. Richa Gupta	
1	Independent Directors					
	-Fees for attending Board/ Committee Meetings	Nil	Nil	Nil	Nil	Nil
	-Commission	Nil	Nil	Nil	Nil	Nil
	-Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total(1)	Nil	Nil	Nil	Nil	Nil
2	Other Non-executive Directors					
	-Fees for attending Board/ Committee Meetings	Nil	Nil	Nil	Nil	Nil
	-Commission	Nil	Nil	Nil	Nil	Nil
	-Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total(2)	Nil	Nil	Nil	Nil	Nil
	Total(B)=(1+2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	-	Nil	-	-	-
	Overall Ceiling as per the Companies Act, 2013**	Not Applicable, since no remuneration is being drawn under the				

Note : Overall Ceiling of Remuneration for other directors includes only maximum remuneration payable for sitting fees for attending Board & Committee meetings.

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Chief Executive Officer(CEO)	Chief Financial Officer (CFO)	Company Secretary (CS)- Pratibha Anand (01.04.18 to 24.08.18)	Company Secretary (CS)- Abhishek Kr. Pandey(w.e.f. 27.09.18)	(in Rs.)
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	19,43,981	2,01,093	4,07,853	25,52,927
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	Nil	Nil	Nil	Nil
3	Sweat Equity	-	Nil	Nil	Nil	Nil
4	Commission	-				
	- as % of profit	-				
	- Others, specify	-	Nil	Nil	Nil	Nil
5	Others, please specify	-	-	-	-	0
	Total	-	19,43,981	2,01,093	4,07,853	25,52,927

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding /Compounding fees imposed			Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY - NIL							
Penalty	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-
B. DIRECTORS - NIL							
Penalty	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT - NIL							
Penalty	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-

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, 2019.

**For and on behalf of the Board of Directors
KIMIA BIOSCIENCES LTD
(Formerly LAUREL ORGANICS LIMITED)**

**Date: 26-08-2019
Place: New Delhi**

**Sd/-
SAMEER GOEL
Managing Director
(DIN No. : 00161786)**

**Sd/-
VIPUL GOEL
Additional Director
(DIN: 00064274)**

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, 2019 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 contain statements that might be misleading;
 - (ii) the said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the 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)**

**For Kimia Biosciences Ltd.
(Formerly Laurel Organics Limited)**

**Sd/-
SAMEER GOEL
Managing Director
DIN-00161786**

**Sd/-
SANJAY GUPTA
Chief Financial Officer**

**Date: 22.05.2019
Place: New Delhi**

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. Sachin Goel(Resigned w.e.f. 21.12.2018)	N.A.
Mr. Vipul Goel	N.A.
Mr. Jagdeep Dhawan	N.A.
Mrs. Richa Gupta	N.A.

Executive Directors

Mr. Sameer Goel	1:16
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- (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	NIL
Mr. Sachin Goel(resigned w.e.f. 21.12.2018)	NIL
Mr. Vipul Goel	NIL
Mr. Jagdeep Dhawan	NIL
Mrs. Richa Gupta	NIL
Mr. Abhishek Kumar Pandey, Company Secretary	NIL
Ms. Pratibha Anand, Company Secretary	NIL
*Mr. Sanjay Gupta, Chief Financial Officer	5%

* Ms. Pratibha Anand, Company Secretary (CS) of the Company resigned on 24th August, 2018 and Mr. Abhishek Kumar Pandey was appointed as such w.e.f 27th September, 2018.

- (c) The percentage increase in the median remuneration of employees in the financial year 2018-19. 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, 2019 was 175, as compared to number 123, as at 31st March, 2018.

- (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 2018-19 was 8 %.Percentage increase in the managerial remuneration for the year was 5%.

Note: Bonus at an average rate of 8.33% was provided to all the eligible employees 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 - VA

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

Sd/-
SAMEER GOEL
Managing Director
(DIN No. : 00161786)

Sd/-
VIPUL GOEL
Additional Director
(DIN: 00064274)

Date: 26-08-2019
Place: New Delhi

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 Commencement of Employment	Age	If employee is relative of any Director or Manager, provide the name of such Director of Manager	Last Employment	% of Equity Capital held
1	MUKESH KUMAR SHARMA	AVP	3017185	Payroll	PH. D	23	4-Dec-17	53	NO	Sun Pharmaceutical Ltd.	0
2	LALIT KUMAR GOSWAMI	GM MANUFACTURING	2201440	Payroll	MSC.	32	22-May-17	56	NO	Sun Pharmaceutical Ltd.	0
3	SANJAY GUPTA	CFO	1943981	Payroll	C.A.	21	29-Sep-17	47	NO	H-One India Pvt ltd	0
4	RAMNIK SHARMA	Group Leader	1706521	Payroll	PH. D	15	27-Dec-17	44	NO	Sun Pharmaceutical Ltd.	0
5	MATHURA DATT JOSHI	AGM	1329791	Payroll	B. Com	20	17-Nov-14	48	NO	Brijwasan Agro Ltd.	0
6	RAMESH CHANDRA DUBEY	Sr. AGM	1212025	Payroll	M.Sc	31	7-Nov-16	57	NO	IndophytoChem Ltd	0
7	SONIKA SINGH	Sr. Manager HR	1251155	Payroll	MBA	12	26-Dec-14	36	NO	NA	
8	VANDANA GOEL	HR Manager	1200000	Payroll	Graduate	3	15-Dec-16	42	Sameer Goel	NA	0
9	RAM ANUJ YADAV	Sr. Manager	994927	Payroll	B.Sc	23	19-Apr-17	47	NO	Vitalife Laboratories	0
10	VIPUL GAUR	Manager	864872	Payroll	M.Sc.	12	26-Feb-14	37	NO	Pharmchem, Delhi	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

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 comprises the Balance sheet as at March 31 2019, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement 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 Ind-AS 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, 2019, its profit including other comprehensive income, the changes in equity and its cash flows for 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 Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 of the current period. 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.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

S.N.	Key Audit Matter	Auditor's Response
1.	<p>Valuation of trade receivables</p> <p>We refer to Note 10 and Note 2.17 to the financial statements.</p> <p>As disclosed in Notes to the financial statements, the Company assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.</p> <p>The carrying amount of trade receivables of the company was Rs. 2912.14 Lakhs as at March</p>	<p>How our audit addressed the key audit matter:</p> <p>We obtained an understanding of the Company's credit policy for trade receivables, process of approvals and terms and conditions and evaluated the process for identifying impairment indicators. We have reviewed and tested the ageing of trade receivables and management's assessment on the credit worthiness of selected customers for trade receivables. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit losses based on available information.</p>

	<p>31, 2019. We focused on this area because of its significance and the degree of judgement required estimating the expected credit loss and determining the carrying amount of trade receivables as at the reporting date.</p>	<p>Our Observation:</p> <p>Based on our audit procedures performed, we found management's assessment of the recoverability of trade receivables to be reasonable and the disclosures to be appropriate.</p>
2.	<p>Valuation of inventories</p> <p>We refer to Note 8 and 2.14 to the financial statements.</p> <p>As at March 31, 2019, the total carrying amount of inventories was Rs. 1609.91 Lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management on inventories for obsolescence and decline 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.</p>	<p>How our audit addressed the key audit matter:</p> <p>We have checked and analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering 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.</p> <p>Our Observations:</p> <p>We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.</p>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. We have obtained all other information prior to 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements 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) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts which have material foreseeable losses;
 - iii. The Company did not have any amount which is required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place: New Delhi
Date: May 22, 2019

Sd/-
B.K. Sipani
Partner
Membership No. 088926

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 is in our opinion, is reasonable having regard to size of the company and nature of its Plant, Property and Equipment. In accordance with this programme, property, plant & equipment were physically verified during the year. No material discrepancies were noticed on such verification.
- c. According to information and explanations given by the management, the title deeds of immovable properties included in Property, Plant & Equipment are held in the name of the Company, however a 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 except stock in transit during the year at reasonable interval and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans to the companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, provisions of clause 3(iii) of the Order are not applicable to the Company.
- (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 to the Company.
- (v) The Company has not received any deposit during the year as covered under section 73 to 76 of the Companies Act, 2013. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (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 Companies Act, 2013 and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not 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, goods and service tax, cess and other material statutory dues deducted/ accrued in the books, with the appropriate authorities. There were 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 and value added tax on account of any dispute, other than the followings:

Name of Statute	Nature of Dues	Period to which it relates	Amount	Forum where dispute is pending
			(Rs. in Lakhs)	
Punjab Value Added Tax Act, 2005	Penalty	22-08-14	11.67	Panchkula Civil Court

- (viii) The Company has not defaulted in repayment of dues to bank. The Company did not have any borrowing from Government and Financial Institution and dues to debenture holders.
- (ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Further in our opinion and explanations given to us, term loan raised during the year was applied for the purpose for which loan was 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) According to the information and explanations given by the management, 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 Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and the details for the same have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (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 directors. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place: New Delhi
Date: May 22, 2019

Sd/-
B. K. Sipani
Partner
Membership No. 088926

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 ((Formerly known as Laurel Organics Limited"the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management'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 the Companies Act, 2013.

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 Companies Act, 2013, 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 and however same need to be further strengthened.

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

**Place: New Delhi
Date: May 22, 2019**

**Sd/-
B. K. Sipani
Partner
Membership No. 088926**

BALANCE-SHEET 'AS AT MARCH 31, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31.03.2019	As at 31.03.2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	'3'	1,600.00	1,274.57
Capital Work-in-Progress		152.60	247.54
Other Intangible assets	'4'	15.33	15.26
Financial Assets			
a. Other Financial Assets	'5'	14.14	11.64
Other Non-current Assets	'6'	2.81	-
Deferred Tax Liabilities (Net)	'7'	-	-
Total non-current assets		1,784.88	1,549.01
Current Assets			
Inventories	'8'	1,609.91	958.95
Financial Assets			
a. Investments	'9'	1.04	-
b. Trade Receivables	'10'	2,912.14	2,949.70
c. Cash and Cash Equivalents	'11'	9.44	55.04
d. Bank balances other than (c) above	'12'	116.90	148.45
e. Other Financial Assets	'13'	18.29	41.42
Current Tax Assets (Net)	'14'	65.84	50.02
Other Current Assets	'15'	21.30	72.39
Total Current Assets		4,754.86	4,275.97
Total Assets		6,539.74	5,824.98
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	'16'	145.94	145.94
Instruments entirely equity in nature (CCPS)	'16'	65.18	65.18
Other Equity	'17'	399.62	17.71
		610.74	228.83
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
a. Borrowings	'18'	2,410.97	2,473.18
Deferred Tax Liabilities (Net)	'7'	-	4.93
Provisions	'19'	64.23	49.05
Other Non-Current Liabilities	'20'	409.61	-
Total Non-Current Liabilities		2,884.81	2,527.16
Current Liabilities			
Financial Liabilities			
a. Borrowings	'21'	541.98	456.12
b. Trade Payables			
a. Total Outstanding due to Micro and Small Enterprises	'22(a)'	78.22	-
b. Total Outstanding due to other than Micro and Small Enterprises	'22(b)'	1,687.89	1,949.72
c. Other Financial Liabilities	'23'	705.92	638.54
Provisions	'24'	3.34	1.48
Other Current Liabilities	'25'	26.84	23.12
Total Current Liabilities		3,044.19	3,068.98
Total Liabilities		5,929.00	5,596.15
Total Equity and Liabilities		6,539.74	5,824.98
Summary of significant accounting policies and other notes on Financial Statements	"1 to 47"		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Singh & Co.

Chartered Accountants
Firm Reg. No. 302049 E

For and on behalf of the Board of Directors

Sd/
B. K. Sipani
Partner
Membership No. 088926

Sd/
Sameer Goel
Managing Director

Sd/
Vipul Goel
Director

Sd/
Abhishek Pandey
Company Secretary

Sd/
Sanjay Gupta
Chief Financial Officer

Place : New Delhi
Date: May 22, 2019

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

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note-	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
REVENUE			
Revenue from Operations	26	9,391.73	7,646.37
Other Income	27	132.68	85.57
Total Income		9,524.41	7,731.94
EXPENSES:			
Cost of Materials Consumed	28	7,221.79	3,855.11
Purchase of Stock in Trade		-	2,202.50
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	(113.83)	(125.87)
Employee Benefits Expense	30	881.72	757.96
Finance Costs	31	199.61	58.15
Depreciation and amortization expense	32	109.83	114.31
Other Expenses	33	844.72	709.37
Total Expenses		9,143.84	7,571.53
Profit/(Loss) before Tax		380.57	160.41
Tax Expense			
Current Tax		-	-
Deferred Tax Charge / (Credit)	'7'	(4.93)	(6.13)
Profit/(Loss) for the year(A)		385.50	166.54
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(3.59)	(0.18)
Tax relating to remeasurement of defined benefit plans		-	0.01
Total Other Comprehensive income for the year (B)		(3.59)	(0.19)
Total Comprehensive income for the year (A+B)		381.91	166.35
Earnings Per Equity Share (of Rs. 10 each)	'34'		
(1) Basic (in Rs.)		2.64	1.14
(2) Diluted (in Rs.)		1.39	0.75
Summary of significant accounting policies and other notes on Financial Statements	""1 to 47"		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Singh & Co.

Chartered Accountants

Firm Reg. No. 302049 E

For and on behalf of the Board of Directors

Sd/-

B. K. Sipani

Partner

Membership No. 088926

Sd/-

Sameer Goel

Managing Director

Sd/-

Vipul Goel

Director

Sd/-

Abhishek Pandey

Company Secretary

Sd/-

Sanjay Gupta

Chief Financial Officer

Place : New Delhi

Date: May 22, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash Flow from Operating Activities		
Net Profit before tax	380.57	160.41
Adjustment for :		
Depreciation and amortization expense	109.83	114.31
Profit on sale/discard of property, plant and equipment (net)	-1.70	-0.87
Finance costs	199.61	58.15
Interest Income	-127.08	-14.34
Unspent Liabilities written back	-1.58	-25.39
Unrealised Gain/Loss on Foreign Currency Transactions and Translations	-45.17	3.74
Operating Profit Before Working Capital Changes	514.49	296.01
Movements in working capital :-		
(Increase) / Decrease in Inventories	-650.96	-161.73
(Increase)/ Decrease in Trade and Other receivables	113.60	-1394.94
Increase/ (Decrease) in Trade and Other Payables	-226.29	550.95
Cash Generated From Operations	-249.16	-709.71
Less : Income Tax Paid/ (refunds)	-15.82	0.52
Net Cash From Operating Activities	-264.98	-709.18
B. Cash Flow from Investment Activities		
Purchases of Property, Plant and Equipments including intangible assets & capital advances	-258.36	-277.13
Proceeds from sales of Property, plant & Equipments	1.91	2.21
(Placement)/ Redemption of Fixed deposits (net)	31.55	24.77
Purchase of current investments	-1.04	0.00
Interest received	3.60	13.78
Net Cash Used In Investing Activities	-222.35	-236.37
C. Cash Flow from Financing Activities		
Receipts from non current borrowings	3026.67	3198.15
Repayment of non current borrowings	-2584.73	-2140.98
Net proceeds of current borrowings	85.84	-204.37
Money received against share warrants	0.00	196.50
Finance Costs paid	-86.04	-58.15
Net Cash Used in Financing Activities	441.73	991.17
Net Increase/(Decrease) in Cash and Cash Equivalents	-45.60	45.61
Cash and Cash Equivalents at the beginning of the year *	55.04	9.43
Cash and Cash Equivalents at the end of the year *	9.44	55.04
	-45.60	45.61

* Refer Note 11 for details.

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities 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, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the Statement of Cash Flows.

As per our report of even date attached

For Singh & Co.

Chartered Accountants

Firm Reg. No. 302049 E

Sd/-

B. K. Sipani

Partner

Membership No. 088926

Place : New Delhi

Date: May 22, 2019

For and on behalf of the Board of Directors

Sd/-

Sameer Goel

Managing Director

Sd/-

Abhishek Pandey

Company Secretary

Sd/-

Vipul Goel

Director

Sd/-

Sanjay Gupta

Chief Financial Officer

'STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

A. Equity share capital (Refer note no. 16 & 46)

Particulars	No. of shares	Amount
Equity shares of Rs. 1 each issued, subscribed and fully paid		
At April 01, 2017	14,594,420	145.94
Changes in equity share capital during the year	-	-
At March 31, 2018	14,594,420	145.94
Changes in equity share capital during the year	-	-
At March 31, 2019	14,594,420	145.94

B. Instrument entirely equity in nature (Refer note no. 16 & 46)

Particulars	No. of shares	Amount
Compulsory Convertible Preference Shares of Rs. 1 each issued, subscribed and fully paid At April 01, 2017	6,518,320	65.18
Changes in equity share capital during the year	-	-
At March 31, 2018	6,518,320	65.18
Changes in equity share capital during the year	-	-
At March 31, 2019	6,518,320	65.18

C. Other equity (Refer note no. 17)

Particulars	Reserve & Surplus			Items of other comprehensive income	Total
	Shares Warrants (refer note no. 17(a))	Security Premium	Retained earnings	Re-measurement gains (losses) on defined benefit plans	
At April 01, 2017	-	84.52	(429.00)	(0.66)	(345.14)
Total comprehensive income for the year					
Profit for the year	-	-	166.54	-	166.54
Other comprehensive income	-	-	-	(0.19)	(0.19)
Total comprehensive income	-	-	166.54	(0.19)	166.35
Money received against Equity share warrants	196.50	-	-	-	196.50
At March 31, 2018	196.50	84.52	(262.46)	(0.85)	17.71
Total comprehensive income for the year					
Profit for the year	-	-	385.50	-	385.50
Other comprehensive income	-	-	-	(3.59)	(3.59)
Total comprehensive income	-	-	385.50	(3.59)	381.91
At March 31, 2019	196.50	84.52	123.04	(4.44)	399.62

Note-1 Security premium has been transferred from amalgamating company pursuant to scheme of amalgamation (refer note no. 46).

Note-2 The above figures have been restated on implementation of scheme of arrangement (refer Note no. 46).

As per our report of even date attached

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

Sd/-
B. K. Sipani
Partner
Membership No. 088926

For and on behalf of the Board of Directors

Sd/- Sameer Goel
Managing Director

Sd/- Vipul Goel
Director

Sd/- Abhishek Pandey
Company Secretary

Sd/- Sanjay Gupta
Chief Financial Officer

Place : New Delhi
Date: May 22, 2019

KIMIA BIOSCIENCES LIMITED

(Formerly known as Laurel Organics Limited)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 Reporting Entity

KIMIA Biosciences limited referred to as "the Company" is domiciled in India. The registered office of the Company is at Village Bhondsi, Tehsil Sohna, Distt. Gurgaon - 122012, Haryana, India. Equity shares of the Company are listed in India on the Bombay stock exchange.

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 final product Bulk Drugs active Pharmaceutical - (APIs).

The financial statements for the company were authorised for issue by Company's Board of Directors on May 22, 2019.

2. Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

2.1 Basis of preparation

The financial statements of KIMIA Biosciences limited ("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 by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 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.
- Defined benefit liability/(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 take 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 (INR), 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:

- Classification of leases into finance and operating lease

- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset 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 Equipments.
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

2.5 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/liabilities is treated as current when it is:

- Expected to be realised/settled (liabilities) 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 or 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 assets/liabilities.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.6 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. 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 upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

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. Leasehold land is being amortised over the period of lease tenure. "Leasehold improvements are being amortised over the period of 5 to 10 years. "

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

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

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 and loss.

2.7 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 years.

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

An intangible asset is derecognised 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 and loss when the asset is derecognised.

2.8 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 derecognition.

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

2.9 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto 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 and loss in the period in which they are incurred.

2.11 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the respective transactions. Foreign-currency denominated monetary assets and liabilities are translated into the functional currency at exchange rates in effect at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and such translation of monetary assets and liabilities denominated in foreign currencies are generally recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

2.12 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 interest rates of government bonds.

The effect of the rereasurement 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 and loss. Past service cost is recognised in the statement of profit and 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
- rereasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item employee benefits expense.

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.

2.13 Revenue Recognition

Sale of Goods

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, sales tax/GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

Interest income

Interest income is recognised with reference to the Effective Interest Rate method.

Dividend income

"Dividend from investment is recognised as revenue when right to receive is established."

Income from Export Benefits and Other Incentives

Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

2.14 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials and stores & spare parts is computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and 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.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Bases 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.

2.16 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.

2.17 Financial instruments**Financial Assets****Initial recognition and measurement**

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The company classifies its financial assets either at amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Financial assets at fair value through profit and loss (FVTPL)

Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a Financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. 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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the profit.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of Profit & Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Derecognition of financial liabilities

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

2.18 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity or 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 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 recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases of the respective assets and liabilities. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.19 Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are

charged to statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.20 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.

2.21 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.

2.22 Allowance for Credit Impaired

Trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

2.23 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 01 April, 2019: The Company will adopt new standard and amendment to existing standards with effect from April 1, 2019.

(a) Amendment to Ind AS 116 Leases

"Ind AS 116 will supersede the existing Ind AS 17. The new standard provides a comprehensive model to identify lease-arrangements and the treatment thereof in the financial statements of both the lessee and lessor. The new standard requires entities to make more judgments and estimates (e.g., determining when a customer has the right to direct the use of an identified asset, estimating the incremental rate of borrowing) and make more disclosures (e.g., discount rate, weighted average lease term, other qualitative and quantitative information)." "Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Ind AS 17 required classifying leases as finance lease and operating lease, the same is not required under Ind AS 116. Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities."

(b) Amendment to Ind AS 19 – plan amendment, curtailment or settlement- Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', On 30 March, 2019, in connection with accounting for plan amendments, curtailments and settlements.

(c) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: Ministry of Corporate Affairs has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, the company need to determine the probability of the relevant tax authority accepting each tax treatment that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

(d) Amendment to Ind AS 12 – Income taxes: Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

(e) Ind AS 23 – Borrowing Costs -The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The Company is in the process of evaluating the impact of adoption of the above pronouncements on its financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

3. Property, plant and equipment

Particulars	Freehold land	Leasehold land	Building	Plant & Machinery	Vehicles	Furniture and fixtures	Office equipments	Total (A)	Capita in pri (B)
Balance as at April 01, 2017	47.46	118.76	247.15	634.20	93.88	10.01	20.24	1,171.70	
Additions	-	-	32.18	233.56	0.04	5.80	12.85	284.43	
Capitalised during the year									
Disposals	-	-	-	-	0.73	-	1.02	1.75	
Balance as at March 31, 2018	47.46	118.76	279.33	867.76	93.19	15.81	32.07	1,454.38	
Additions	-	-	48.41	368.35	-	2.92	12.43	432.11	
Capitalised during the year	-	-	-	-	-	-	-	-	
Disposals/ Capitalisation	-	-	-	-	-	-	0.25	0.25	
Balance as at March 31, 2019	47.46	118.76	327.74	1,236.11	93.19	18.73	44.25	1,886.24	

Accumulated depreciation:

Balance as at April 01, 2017	-	1.90	7.36	39.52	13.56	1.24	5.35	66.93
For the year	-	1.90	11.53	72.04	17.14	1.44	7.25	111.30
Disposals	-	-	-	-	0.30	-	0.12	0.42
Balance as at March 31, 2018	-	3.80	18.89	111.56	30.40	2.68	12.48	179.81
For the year	-	1.90	13.02	70.77	11.52	1.64	7.62	106.47
Disposals	-	-	-	-	-	-	0.04	0.04
Balance as at March 31, 2019	-	5.70	31.91	182.33	41.92	4.32	20.06	286.24

Net carrying amount:

As at March 31, 2018	47.46	114.96	260.44	756.20	62.79	13.13	19.59	1,274.57
As at March 31, 2019	47.46	113.06	295.83	1,053.78	51.27	14.41	24.19	1,600.00

Note:

A. Refer Note no. 18 for details on pledges and security.

B. The above figures has been restated pursuant to scheme of arrangement for amalgamation (refer Note no 46).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

4. Other intangible assets and intangible assets under development

Particulars	Software	Total	Intangible assets under development	Total
Balance as at April 01, 2017	12.70	12.70	-	12.70
Additions	6.79	6.79	-	6.79
Transfer	-	-	-	-
Balance as at March 31, 2018	19.49	19.49	-	19.49
Additions	3.43	3.43	-	3.43
Transfer	-	-	-	-
Balance as at March 31, 2019	22.92	22.92	-	22.92
Amortisation				
Balance as at April 01, 2017	1.22	1.22	-	1.22
Amortisation Expenses	3.01	3.01	-	3.01
Transfer	-	-	-	-
Balance as at March 31, 2018	4.23	4.23	-	4.23
Amortisation Expenses	3.36	3.36	-	3.36
Transfer	-	-	-	-
Balance as at March 31, 2019	7.59	7.59	-	7.59
Net carrying amount				
As at March 31, 2018	15.26	15.26	-	15.26
As at March 31, 2019	15.33	15.33	-	15.33

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Rupees Lakhs. unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
5 Other Non current Financial asstes (Unsecured, Considered Good)		
Security Deposits	14.14	11.64
	14.14	11.64
6 Other Non-current Assets		
Unsecured, considered good, unless otherwise stated:		
Capital creditor	2.81	-
	2.81	-
	As at March 31, 2019	As at March 31, 2018
8 Inventories		
(Valued at lower of cost or net realisable value except waste at net realisable value)		
Raw Materials	794.06	255.45
Work-in-Progress	135.44	30.55
Finished Goods	653.05	644.11
Stores and Spares	27.36	28.84
	1,609.91	958.95
Goods in transit included in above inventories	Nil	Nil
9 Current Investments (Fair value through Profit and Loss) HDFC Bank Ltd		
50 Equity Shares (P.Y. -Nil-) of face value of Rs.2/- each	1.04	-
	1.04	-
10 Trade Receivables		
Unsecured		
Considered Good	2,912.14	2,945.63
Considered Credit Impaired	10.71	14.78
	2,922.85	2,960.41
Less: Provision for Credit impaired	10.71	10.71
	2,912.14	2,949.70
11 Cash and Cash Equivalents		
Balance with Banks :		
- In Current Accounts	9.02	42.32
Cash on hand	0.42	12.72
	9.44	55.04
12 Other Bank Balances		
Earmarked		
Fixed Deposit Account (Pledged with Govt. Authorities)	116.90	148.45
	116.90	148.45
13 Other Current Financial Assets		
(Unsecured, Considered Good)		
Interest Accrued on Fixed Deposits	6.45	2.14
Advance to Employees	4.66	19.86
Advance to Others	4.00	4.00
Refund Receivable	3.18	6.21
Others receivable	-	9.21
	18.29	41.42
14 Current Tax Assets (Net)		
Advance Current Tax (Net of Provision)	65.84	50.02
	65.84	50.02
15 Other Current Assets		
Prepaid Expenses	13.32	7.59
Advances to Suppliers	7.98	20.30
Balance with Govt. Authorities	-	44.50
	21.30	72.39

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

7. Deferred tax assets/(Liabilities):

A. Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax (liabilities)		asset/(liabilities)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Property, plant and equipments and intangible assets: Impact of difference between tax depreciation and depreciation/ amortisation recognised in books	-	-	(87.31)	(6.50)	-87.31	(6.50)
Provisions-employee benefits	18.76	1.57			18.76	1.57
Provisions- bad and doubtful debts	2.98	-	-	-	2.98	-
Amortisation of Laon	-	-	(1.85)	-	-1.85	-
Carry forward business Losses including unabsorbed depreciation	63.86	-			63.86	-
Other items	3.56	-			3.56	-
Deferred tax assets/ (liabilities)	89.16	1.57	(89.16)	(6.50)	-	(4.93)

B. Movement in temporary differences

	Balance as at	Recognised in profit or loss during	Recognised in OCI	Balance as at	Recognised in profit or loss during	Recognised in OCI	Balance as at
	01 April 2017	2017-18	2017-18	March 31, 2018	2018-19	2018-19	March 31, 2019
Property, plant and equipments and intangible assets: Impact of difference between tax depreciation and depreciation/ amortisation recognised in books	(6.48)	0.02	-	(6.50)	80.81	-	(87.31)
Provisions-employee benefits	1.57	0.01	0.01	1.57	(17.19)	-	18.76
Provisions- bad and doubtful debts	-	-	-	-	(2.98)	-	2.98
Amortisation of Laon	-	-	-	-	1.85	-	(1.85)
Carry forward business Losses including unabsorbed depreciation	-	-	-	-	(63.86)	-	63.86
Other items	(6.16)	-6.16	-	-	(3.56)	-	3.56
	(11.07)	(6.13)	0.01	(4.93)	(4.93)	-	-

-The Company has provided deferred tax assets on carry forward losses and unabsorbed depreciation to the extent of its deferred tax liabilities.

- The Company offsets deferred tax assets and deferred tax liabilities if and only if it relate to income taxes levied by the same tax authority.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

	AS AT March, 2019	Amount in Rs. AS AT March, 2018
16. SHARE CAPITAL		
AUTHORISED :		
11,73,31,680 (previous year 11,73,31,680) Equity Shares of Rs. 1 each	1,173.32	1,173.32
65,18,320 (previous year 65,18,320) Compulsory Convertible Preference Share of Rs.1-each	65.18	65.18
40,00,000 (Previous year 40,00,000) 0.1% Redeemable Non-Convertible Cumulative Preference Shares of Rs. 10 each	400.00	400.00
	1,638.50	1,638.50
Issued:		
145,94,420 (previous year 145,94,420) Equity Shares of Rs. 1 each fully paid up	145.94	145.94
65,18,320 (previous year 65,18,320) Preference Shares (CCPS) of Rs. 1 each fully paid up	65.18	65.18
40,00,000 (Previous year 40,00,000) 0.1% Redeemable Non-Convertible Cumulative Preference Shares of Rs. 10 each (Refer Note 23)	400.00	400.00
	611.12	611.12
Subscribed and Fully Paid-up Shares		
145,94,420 (previous year 145,94,420) Equity Shares of Rs. 1- each fully paid up	145.94	145.94
	145.94	145.94
65,18,320 (previous year 65,18,320) Preference Shares (CCPS) of Rs. 1 each fully paid up	65.18	65.18
	65.18	65.18

a. Terms, Rights and Restrictions attached to Equity Shares

The Company has only one class of Equity Share having face value of Rs.10 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.

There is change in the Issued, Paid up Equity Share Capital w.e.f. April 01, 2016 due to effect of scheme of arrangement as referred in Note No. 46.

b. Preference Shares

The company has issued 40,00,000 Preference Shares of Rs.10/-each (0.1% Redeemable Non-Convertible Cumulative Preference Shares) redeemable within a period of 10 years, however Board of Directors have decided to redeem the same within 12 months.

17. Other Equity

a. Money received against share warrants

Money received against Equity share warrants	196.50	196.50
	196.50	196.50

During Previous year the Company has issued 26,20,000 (Twenty Six Lakhs and Twenty Thousand) Fully Convertible Warrants ("Warrants") having Face Value of Rs. 10/- each, for cash at an issue price of Rs. 30/- (Rupees Thirty Only) per Warrant (including a premium of Rs. 20/- per Warrant) ("Warrant Issue Price"), to the existing equity shareholders ("Warrant Allottees"), each convertible into, or exchangeable for, at an option of the Warrant Allottee, upon the Scheme of arrangement 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) each on such terms and conditions as may be determined by the Board. Till March 31, 2018, the Company has called an amount equivalent 25% of the Warrant Issue Price fixed per Warrant and balance 75% shall be payable by the Warrant Allottee at the time of conversion of the Warrants.

		As at	As at
		March 31, 2019	March 31, 2018
b. Reserves and Surplus			
(i) Security Premium			
Balance at the beginning of the year		84.52	84.52
Addition during the year		-	-
Balance at the end of the year		84.52	84.52
(ii) Retained earnings			
Balance at the beginning of the year*		(262.46)	(429.00)
Profit for the year		385.50	166.54
Total after giving impact of reduction in share capital		123.04	(262.46)
(iii) Remeasurement of defined benefit plans (Other Comprehensive Income)			
Balance at the beginning of the year		(0.85)	-0.66
Addition during the year		(3.59)	(0.19)
Balance at the end of the year		(4.44)	(0.85)
Total (i to iii)		203.12	(178.79)
Total Other Equity (a+b)		399.62	17.71

* Refer note no. 46.

18. Non-Current Borrowings

(i) Secured			
Term Loans from Banks		141.90	-
Car Loans from banks		27.83	47.70
Total (i)		169.73	47.70
(ii) Unsecured			
From Bodies Corporate		2,057.77	2,038.11
From Directors		291.20	407.24
Total (ii)		2,348.97	2,445.35
(Total i+ii)		2,518.70	2,493.05
Less : Current Maturity of Non Current borrowings		107.73	19.87
		2,410.97	2,473.18

a. Securities

The Company has taken secured borrowings Term Loan from State Bank of India, SME Branch, Gurgaon. Term Loan tenure is 84 months and repayable with interest 10.20% p.a. The above loan is secured against hypothecation of existing & future Land, plant & property of the company.

The Company has taken secured borrowings (Car Loans) from HDFC Bank Ltd. for 4 year tenure carrying interest rate of 9% p.a. against creation of charge on respective vehicles of the Company.

19 Long Term Provisions

Provision for Employee Benefits	64.23	49.05
	64.23	49.05

20 Other Non-Current Liability

Deferred Revenue		
-Arising on fair valuation of interest free borrowings	409.61	-
	409.61	-

21 Borrowings-Current

Secured		
Working capital loans from banks payable on demands	541.98	387.15
Unsecured		
From Others	-	68.97
	541.98	456.12

Above loans are Secured by way of hypothecation of all present and future current assets and also personal guarantees of Directors.

	As at March 31, 2019	As at March 31, 2018
22 Trade Payables *		
(a) Total Outstanding due to Micro and Small Enterprises (Refer Note 41)	78.22	-
(b) Total Outstanding due to other than Micro and Small Enterprises	1,687.89	1,949.72
	1,766.11	1,949.72
23 Other Financial Liabilities		
Current Maturity of Long term debts	107.73	19.87
40,00,000 (Previous Year- 40,00,000) 0.1% Redeemable Non-Convertible Cumulative Preference Shares of Rs. 10 each (Refer Note 16 and 23.1)	400.00	400.00
Capital Creditors	72.21	12.83
Interest Accrued	1.97	0.92
Statutory Dues	31.73	117.27
Others	92.28	87.65
	705.92	638.54
23.1 Terms, Rights and Restrictions attached to 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. At the option of the issuer, at any time within a period not exceeding ten years from the date of allotment on 17.05.2016 as per the provisions of the Act.		
24 Short Term Provisions		
Provision for Interest Payable - MSME (Refer Note no - 41)	0.12	-
Provision for Employee Benefits	3.22	1.48
	3.34	1.48
25 Other Current Liabilities		
Customers' Credit Balances and Advances against orders	26.84	23.12
	26.84	23.12

	For the year ended March 31, 2019	For the year ended March 31, 2018
26 Revenue from Operations :		
Sale of Goods	9,391.73	7,646.12
Processing Charges	-	0.25
Revenue from Operations	<u>9,391.73</u>	<u>7,646.37</u>
27 Other Income:		
Interest Income	127.08	14.34
Gain on Foreign Currency Transactions and Translations	-	41.92
Net Profit on sale of Plant, Property and Equipment	1.70	0.87
Unspent Liabilities written back	1.58	25.39
Miscellaneous Income	2.32	3.06
	<u>132.68</u>	<u>85.57</u>
28 Cost of Materials Consumed:		
Chemical	7,221.79	3,855.11
	<u>7,221.79</u>	<u>3,855.11</u>
29 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		
Inventories as at March 31, 2019		
Stock-in-Trade	-	-
Work-in-Progress	135.44	30.55
Finished Goods	653.05	644.11
Total (A)	<u>788.49</u>	<u>674.66</u>
Inventories as at March 31, 2018		
Stock-in-Trade	-	-
Work-in-Progress	30.55	114.75
Finished Goods	644.11	455.81
Total (B)	<u>674.66</u>	<u>570.56</u>
Reversal of Excise duty on Finished Goods	-	21.78
Total (B-A)	<u>(113.83)</u>	<u>(125.87)</u>
30 Employee Benefit Expenses		
Salaries, Wages and Bonus	800.21	711.34
Contribution to Provident and Other Funds	37.16	31.46
Staff welfare expenses	44.35	37.66
	<u>881.72</u>	<u>780.46</u>
Less: Capitalized/ Transferred to CWIP	-	22.50
	<u>881.72</u>	<u>757.96</u>
31 Finance Costs		
Interest	211.97	58.15
Other Borrowing cost	-	-
	<u>211.97</u>	<u>58.15</u>
Less: Capitalized/ Transferred to CWIP	12.36	-
	<u>199.61</u>	<u>58.15</u>
32 Depreciation and Amortization Expense		
On Tangible Assets	106.47	111.30
On Intangible Assets	3.36	3.01
	<u>109.83</u>	<u>114.31</u>
33 Other Expenses		
Consumption of Stores and Spares	60.15	42.52
Job Charges	10.47	10.19
Power & Fuel Expenses	254.42	185.26
Rent	26.10	41.96
Rates & Taxes	27.23	23.21
Repair and Maintenance	-	-
Machinery	37.42	32.30
Others	14.00	9.77

	For the year ended March 31, 2019	For the year ended March 31, 2018
Travelling and conveyance	71.11	65.64
Legal and professional	65.82	54.22
Advertisement & Business Promotion	56.75	39.76
Excise Duty paid	-	15.63
Auditor's Remuneration		-
As Auditors	5.00	3.00
For Limited Review	1.50	1.50
For Tax Audit	1.00	1.00
Certification & Other	3.30	1.25
Reimbursement of Expenses	0.62	0.16
Bad debts & Advances written off	7.53	16.38
Loss on Foreign Currency Transactions and Translations	18.71	-
Miscellaneous Expenses	183.59	165.62
	844.72	709.37
34 Earnings per share		
Basic and Diluted Earning per share		
Profit/(Loss) for the year	385.50	166.54
Less: Arrear of Preference Share Dividend	0.40	0.40
Profit attributable to Equity Shareholders	385.10	166.14
Weighted Average Number of Equity Shares	Numbers 14,594,420	14,594,420
Basic Earnings Per Share of Rs. 1 each	Rs. 2.64	1.14
Weighted Average Number of Equity Shares	Numbers 14,594,420	14,594,420
Add: Potential equity shares (Equity Share Warrants)	Numbers 6,550,000	897,260
Compulsorily convertible preference shares	Numbers 6,518,320	6,518,320
Total Weighted average Number of Equity Shares	27,662,740	22,010,000
Profit attributable to Equity Shareholders	385.10	166.14
Weighted Average Number of Equity Shares	Numbers 27,662,740	22,010,000
Diluted Earnings Per Share of Rs. 1 each	Rs. 1.39	0.75

	As at March 31, 2019	As at March 31, 2018
35	Contingent liabilities, contingent assets and commitments	
A.	Contingent Liabilities not acknowledged as debts and provided for:	
	11.67	11.67
	Liability on account of VAT matter pending with Sales Tax Department not acknowledged, not provided for	
B.	Commitments	
	171.68	4.15
	'Estimated amount of Contracts remaining to be executed on Capital Account [Net of Advances]	

In view of management, the Company has fair chances of success in all these cases and thus chances of liability devolving on the Company is not probable and hence no provision in respect thereof has been made in the books.

36. Leases

Operating lease

The Company's significant leasing arrangements are in respect of operating leases of premises for offices and guesthouses. These leasing arrangements, which are cancellable, are typically for a period of 11 months and are usually renewable on mutually agreeable terms. The Company has recognised expense amounting to Rs. 26.10 (Previous year Rs. 41.96 lacs)

37. Foreign exchange derivatives and exposures outstanding at the year-end:

	March 31, 2019	March 31, 2018
(a) Open Exposure		
i. Receivable (USD)	-	0.22
ii. Payable (USD)	17.79	11.38
(b) Derivatives	-	-

38 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's administered funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. During the year the Company has contributed Rs. 37.16 (Previous year Rs. 31.46).

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	March 31, 2019	March 31, 2018
Net defined benefit liability/ asset	55.02	39.44
Liability for Gratuity		
Non-current	52.94	38.73
Current	2.09	0.71

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	March 31, 2019			March 31, 2018		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	39.44	-	39.44	35.96	-	35.96
Included in profit or loss	-	-	-	-	-	-
Service costs	10.78	-	10.78	6.61	-	6.61
Interest cost / (income)	3.05	-	3.05	3.27	-	3.27
	<u>13.83</u>	<u>-</u>	<u>13.83</u>	<u>9.88</u>	<u>-</u>	<u>9.88</u>
Included in OCI						
Premeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	0.41	-	0.41	(0.71)	-	(0.71)
- experience adjustment	3.19	-	3.19	0.90	-	0.90
- Demographic assumptions	-	-	-	-	-	-
	<u>3.59</u>	<u>-</u>	<u>3.59</u>	<u>0.19</u>	<u>-</u>	<u>0.19</u>
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	(1.83)	-	(1.83)	(6.59)	-	(6.59)
Acquisition adjustment	-	-	-	-	-	-
	<u>(1.83)</u>	<u>-</u>	<u>(1.83)</u>	<u>(6.59)</u>	<u>-</u>	<u>(6.59)</u>
Balance as at 31 March	<u>55.02</u>	<u>-</u>	<u>55.02</u>	<u>39.44</u>	<u>-</u>	<u>39.44</u>

C. Plan assets

The Company has no Plan assets.

D. Actuarial assumptions

March 31, 2019 March 31, 2018

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Discount rate	7.66%	7.73%
Expected rate of future salary increase	5.50%	5.50%
Mortality	100% of IALM (2006 - 08)	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

E. Sensitivity analysis

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

	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.5% movement)	(2.96)	3.21	(1.81)	1.96
Change in Salary increase (0.5% movement)	2.88	(2.68)	1.99	(1.85)

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 & life expectancy are not applicable being a lump sum benefit on retirement.

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.

F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

39. Related parties Disclosure

A. Related parties and their relationships

i. Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Sameer Goel	Managing Director
Sachin Goel	Director (till 21.12.2018)
Vipul Goel	Additional Director
Jagdeep Dhawan	Director
Richa Gupta	Director
Vandana Goel	Wife of Director Mr. Sameer Goel
Sanjay Gupta	Chief Financial Officer
Pratibha Anand	Company Secretary (Till 24.08.2018)
Abhishek Pandey	Company Secretary (w.e.f. 27.09.18)

ii. Enterprise over which KMP and their relatives exercise significant influence and with whom transactions have taken place during the year

Biotavia Labs Pvt Ltd
Zeneses Biosciences Pvt Ltd
Biotavia Pharm Limited
Salutem Pharmaceuticals Pvt Ltd

B. Transactions with the above in the ordinary course of business

		For the year ended	
		March 31, 2019	March 31, 2018
a. Payments to Key Managerial Personnel/Transaction with Holding Company and their relatives			
Name	Nature		
Sameer Goel	Unsecured Loan taken	60.00	49.00
Sachin Goel	Unsecured Loan taken	-	40.00
Sameer Goel	Share Warrant Application Money	-	95.70
Sachin Goel	Share Warrant Application Money	-	39
Sameer Goel	Short Term Employee benefit	48.00	48.00
Vandana Goel	Short Term Employee benefit	12.00	12.00
Sanjay Gupta	Short Term Employee benefit	19.44	8.90
Abhishek Pandey (w.e.f. 27/09/18)	Short Term Employee benefit	4.08	-
Pratibha Anand (till 24/08/18)	Short Term Employee benefit	2.01	4.41
b. With Enterprises over which Key Management Personnel or his relative are able to exercise significant influence/ common directors are as under			
Biotavia Labs Pvt Ltd	Sale	-	230.54
	Purchase	153.75	217.06
	Commission	-	-
Zeneses Biosciences Pvt Ltd	Purchase	40.42	357.95
	Sale	-	258.65
Biotavia Pharm Limited	Sale	-	212.51
	Purchase	20.67	-
Salutem Pharmaceuticals Pvt Ltd	Sale	21.70	5.66
	Loan-Adv.	-	3.00

As at
March 31, 2019 March 31, 2018

c. Closing Balance

a. With Enterprises over which Key Management Personnel or his relative are able to exercise significant influence are as under

Biotavia Labs Pvt Ltd	Payable	1,047.01	820.01
	Receivable	3.33	3.33
Biotavia Pharm Limited	Payable	62.19	78.27
	Receivable	-	
Salutem Pharmaceuticals Pvt Ltd	Receivable	17.92	6.67
Zeneses Biosciences Pvt Ltd	Payable	-	113.95
Sameer Goel	Unsecured Loan : Payable	291.20	231.20
	Salary Payable	17.85	20.20
Sachin Goel	Unsecured Loan : Payable	-	176.04
Vandana Goel	Salary Payable	1.00	0.23

(ii) Summarized details of remuneration to Key Managerial Personnel are as under:

Particulars	As at	
	March 31, 2019	March 31, 2018
Short term Benefits	73.53	61.31
Post Employment Benefits	-	-

The above remuneration to the key managerial personnel does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

40. Financial instruments-Fair values and risk management

i. Fair value measurements

Financial Instruments by category	As at March 31, 2019				As at March 31, 2018			
	Carrying Amount	FVTPL	FVOCI	Amortised Cost	Carrying Amount	FVTPL	FVOCI	Amortised Cost
Financial assets								
Investment	1.04	1.04	-	-	-	-	-	-
Trade receivables	2,912.14	-	-	2,912.14	2,949.70	-	-	2,949.70
Cash and cash equivalents	9.44	-	-	9.44	55.04	-	-	55.04
Other Bank balances Others	116.90	-	-	116.90	148.45	-	-	148.45
Non Current	14.14	-	-	14.14	11.64	-	-	11.64
Current	18.29	-	-	18.29	41.42	-	-	41.42
	3,071.95	1.04	-	3,070.91	3,206.25	-	-	3,206.25
Financial liabilities								
Borrowings								
Non Current	2,410.97	-	-	2,410.97	2,473.18	-	-	2,473.18
Current	541.98	-	-	541.98	456.12	-	-	456.12
Trade payables	1,766.11	-	-	1,766.11	1,949.72	-	-	1,949.72
Other current financial liabilities	705.92	-	-	705.92	638.54	-	-	638.54
	5,424.98	-	-	5,424.98	5,517.56	-	-	5,517.56

The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

ii. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements.

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.

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

	As at March 31, 2019				As at March 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment	1.04	-	-	1.04	-	-	-	-
Trade receivables	-	-	-	2,912.14	-	-	-	2,949.70
Cash and cash equivalents	9.44	-	-	9.44	55.04	-	-	55.04
Other Bank balances	116.90	-	-	116.90	148.45	-	-	148.45
Others	-	-	-	-	-	-	-	-
Non Current	-	-	-	14.14	-	-	-	11.64
Current	-	-	-	18.29	-	-	-	41.42
Total financial Asset	127.38	-	-	3,071.95	203.49	-	-	3,206.25
Financial liabilities								
Borrowings								
Non Current	-	169.73	2,241.24	2,410.97	-	-	2,473.18	2,473.18
Current	-	541.98	-	541.98	-	387.15	68.97	456.12
Trade payables	-	-	1,766.11	1,766.11	-	-	1,949.72	1,949.72
Other current financial liabilities	-	-	705.92	705.92	-	-	638.54	638.54
Total financial Liabilities	-	711.71	4,713.27	5,424.98	-	387.15	5,130.41	5,517.56

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

II. Financial risk management

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

- credit risk;
- liquidity risk;
- market risk; and
- currency risk;

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

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 which are reported to the Audit Committee.

i. 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 receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

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 Company Management has established 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 and past financials, if they are available.

The Company has started manufacturing facility in current year. The company is dealing with the customers having good credit worthiness, and no impairment loss has been recognized against these customers. 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.

Ageing of Trade Receivables (net of loss allowances) are as under:-

Particulars	Less than 6 months	6-12 months	More than 12 months	Total
As at March 31, 2019	2,842.70	30.50	38.94	2,912.14
As at March 31, 2018	2,912.22	22.05	15.44	2,949.71

A default on a financial asset is when counterparty fails to make payments within 90 days when they fall due.

ii. 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 at corporate office of 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.

(a) Financing arrangements

During the year, the banker of the Company has sanctioned total working capital exposure of Rs. 600 (approx). which is 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. The banker of the Company has also sanctioned term loan and other facilities of Rs. 1365 (approx).

(b) Maturities of financial liabilities

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

	Carrying Amounts March 31, 2019	On Demand	Contractual cash flows			
			0- 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	2,952.95	541.98	107.73	1,744.42	558.82	-
Trade payables	1,766.11	-	1,766.11	-	-	-
Other current financial liabilities	705.92	-	705.92	-	-	-
Total non-derivative liabilities	5,424.98	541.98	2,579.76	1,744.42	558.82	-

	Carrying Amounts March 31, 2018	On Demand	Contractual cash flows			
			0- 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	2,929.30	387.15	19.87	2,060.08	462.20	-
Trade payables	1,949.72	-	1,949.72	-	-	-
Other current financial liabilities	638.54	-	638.54	-	-	-
Total non-derivative liabilities	5,517.56	387.15	2,608.13	2,060.08	462.20	-

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iii. Market risk

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

The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange and various debt instruments on account of interest rates. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

iv. Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. 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 ("Rs."). The risk is measured through a forecast of highly probable foreign currency cash flows.

The Currency risks related to the principal amounts of the Company's foreign currency receivables and payables, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows

	As at March 31, 2019		As at March 31, 2018	
	Trade receivables	Trade Payables	Trade receivables	Trade Payables
In USD	-	17.79	0.22	11.38
Total financial exposure	-	17.79	0.22	11.38

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities:

Particulars	Profit and loss		Equity, net of tax	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
31st March 2019	(0.09)	0.09	(0.06)	0.06
31st March 2018	(0.06)	0.06	(0.04)	0.04

Interest rate risk

The Company's interest rate risk arises from borrowings with fixed rates, which does not expose to cash flow interest rate risk.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Fair value sensitivity analysis for fixed-rate instruments

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

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at	
	March 31, 2019	March 31, 2018
Variable rate borrowings	683.88	387.15
Fixed rate borrowings	2,376.80	2,493.05
Total borrowings	3,060.68	2,880.20

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
31st March 2019				
Variable rate borrowings	(3.42)	3.42	(2.47)	2.47
31st March 2018				
Variable rate borrowings	(1.9)	1.9	(1.40)	1.40

Fair value sensitivity analysis for fixed-rate instruments:

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

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Fair value sensitivity analysis for fixed-rate instruments

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

41. Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting years.		
- Principal amount due to micro and small enterprises	78.22	Nil
- Interest due on above	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
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 Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year, and	0.12	Nil
The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil

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

43. Segment Reporting

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. 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.

44. Capital management

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

Particulars	As at 31 March 2019	As at 31 March 2018
Equity Share Capital	145.94	145.94
Instruments entirely equity in nature (CCPS)	65.18	65.18
Other Equity	399.62	17.71
Total Equity	610.74	228.83
Non-Current Borrowings	2,410.97	2,473.18
0.1% Redeemable Non-Convertible Cumulative Preference Shares of Rs. 10 each	400.00	400.00
Current Borrowings	541.98	456.12
Current maturities of Non-Current Borrowings	107.73	19.87
Total Debts	3,460.68	3,349.17
Less: Cash & Cash Equivalents	9.44	55.04
Net Debts	3,451.24	3,294.13
Capital & Net Debts	4,061.98	3,522.96

45. Recognition of In house Reserch & Development Facility & Expenses incurred:

Company has set up state of art Reserch & Development centre with the Registered Office Primises but in a separte 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 22/01/2019.

a) Revenue Expenditure

Particulars	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
Chemicals & Consumables consumed	52.40	34.21
Employee benefits expense	160.74	80.25
Administration expenses-allocated	40.62	12.97
Depreciation	30.42	33.09
Grand Total	284.19	160.51

b) Capital Expenditure (addtion in Property, Plant and Equipments and Intangible Assets)

Particulars	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
Plant and Machinery	97.96	80.67
Furniture and fixtures	0.12	1.28
Computers	-	2.31
Office equipments	1.79	0.08
Capital work-in-progress	54.32	-
Intangible Asset	-	0.50
Grand Total	154.19	84.85

46. Business Combination

The Honorable National Company Law Tribunal, Chandigarh, in the matter CP(CAA)No.17/Chd/Hry/2017 on August 21, 2018, sanctioned a scheme of arrangement for amalgamation under sections 230 to 232 of the Companies Act, 2013. In accordance with the scheme, Kimia Biosciences Limited (Holding and Transferor Company) amalgamates with the Laurel Organics Ltd (Transferee company) with effect from the appointed date i.e. 1st April 2016. The transferor company was engaged in the business of Sale & Manufacturing of Bulk Drugs (API). The amalgamation is expected to channelize synergies and lead to better utilization of available resources and result in greater economies of scale. The Salient features & particulars of the Scheme are as under:

a) All the property, rights and powers of the Transferor Company (Kimia) stand transferred, without further act or deed, to the Transferee Company (Laurel) and accordingly, the same shall be transferred to and vested in the Transferee Company.

b) All the liabilities and duties of the Transferor Company (Kimia) be transferred, and accordingly the same shall be transferred to and become the liabilities and duties of the Transferee Company (Laurel);

c) The equity shares held by the Transferor Company (Kimia) in Transferee Company (Laurel) shall stand extinguished and the Transferee Company (Laurel) do, without transfer application, allot to the existing members of the Transferor Company (Kimia) shares of Transferee Company to which they are entitled under the said Scheme of Amalgamation. As per the Scheme for 100 equity share of Transferor Company (Kimia) 990 Equity Shares & 590 Convertible Cumulative Preference Shares of The Transferee Company (Laurel) of Rs. 1/-each shall be issued.

d)The name of amalgamated company Laurel Organics Ltd. has been changed to Kimia Biosciences Limited and fresh certificate of incorporation was issued by Registrar of Companies, NCT, New Delhi w.e.f. January 04, 2019 in compliance of the Order of NCLT.

e) The Company has after receipt of the Order of Amalgamation has delivered a certified copy of the Order to the Registrar of Companies, NCT, Delhi for Registration on 15th September, 2017 and on such delivery of copy of Order, the Transferor Company stand dissolved without undergoing the process of winding up.

f) Company's share capital stand altered and got reduced by 90% by altering the face value of paid up Equity Share Capital and Authorized Equity Share Capital from Rs.10 (Rupees Ten) to Rs.1- (Rupee One). Upon such cancellation of the paid up Equity Share Capital, the face value of Authorized Equity Share Capital stand altered to Rs.1 (Rupee One). The clubbed, post amalgamation, Authorized share capital would be as under:

Particulars	Value
Equity Shares - 11,73,31,680 of face value of Rs. 1- each	1,173.32
Compulsory Convertible Preference Share - 65,18,320 of Rs. 1-each	65.18
0.1% Redeemable Non-Convertible Cumulative Preference Share - 40,00,000 of Rs. 10-each	400.00
Total Authorised Share Capital	1,638.50

g) The Assets and Liabilities of Transferor company (with effect from appointed date i.e. April 01, 2016) have been incorporated in the books of accounts of the Transferee Company as per "Pooling of Interest Method" as per the sanctioned scheme of arrangement and the relevant provisions of the Companies Act, 2013 and accordingly previous years accounts including opening balances have been restated as per Indian Accounting Standards referred to in section 133 of the Companies Act, 2013. The value has been taken from financial statement for the year ended March 31,2017 audited by Auditor of Kimia Under Accounting Standards referred to in section 133 of the Companies Act, 2013. Intercompany balances and investemnt shall stand cancelled.

A Summary of the assets, liabilities and reserves incorporated as at appointed date (April 01, 2016) under IGAAP as under:

Assets	Amount
Fixed assets (Including Intangible and CWIP)	465.73
Inventories	488.21
Trade receivables*	1,336.13
Cash and bank balances	173.83
Short-term loans and advances and other assets*	848.37
Total Assets (A)	3,312.27
Liabilities	
Borrowings	1,742.78
Deferred tax liabilities (net)	10.89
Provisions	56.19
Trade payables and other payables	1,189.94
Total Liabilities (B)	2,999.80
Net Worth (B)	312.47
Security Premium	84.52
Retained Earnings	117.47

h) Post amalgamation, 109,37,520 Equity Share of Rs.1-each and 65,18,320 Cumulative Convertible Preference Shares of Rs.1/- each is issued to the shareholders of the Transferor company.

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

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Singh & Co.

Chartered Accountants

Firm Reg. No. 302049 E

For and on behalf of the Board of Directors

Sd/-
B. K. Sipani
Partner
Membership No. 088926

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: May 22, 2019

ROUTE MAP OF AGM VENUE:



**KIMIA BIOSCIENCES LIMITED
(FORMERLY KNOWN AS LAUREL ORGANICS LIMITED)**

Regd. Office: Village Bhondsi, Tehsil Sohna, Gurugram, Haryana, 122102
Tel: +91-9654206544, 9654746544, Fax : 011-47063601, CIN No. L24239HR1993PLC032120
Website: www.laurel.co.in Email ID: laurelorganicslimited@gmail.com, info@kimiabiosciences.com

**(Form No. MGT-11)
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s) :
Registered address :
E-mail Id :
Folio No. / Client ID :
DP ID :

I/ We being the member of Kimia Biosciences Limited, holding _____ Shares, hereby appoint

- (1) Name of (address)
having Email Id :
Signature :, or failing him
- (2) Name of (address)
having Email Id :
Signature :

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at Twenty Sixth (26th) Annual General Meeting of members of the Company to be held on Saturday, 28th September, 2019 at 12:30 P.M. at the registered office of the Company at Village Bhondsi, Tehsil Sohna Distt., Gurugram - 122102 (Haryana), and at any adjournment thereof in respect of such resolutions as are indicated below:

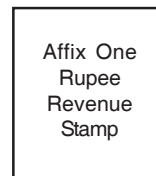
Resolution No.

- To receive, consider and adopt the Standalone Financial Statements of the Company including the Audited Balance Sheet as at March 31, 2019, Statement of Profit and Loss for the year ended March 31, 2019 together with the reports of the Board of Directors and the Auditors.
- 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.
- To approve the Remuneration payable to Mr. Sameer Goel, Managing Director.
- Ratification of the remuneration of the Cost Auditors for the financial year ending 31st March, 2020.
- Re-classification of Authorized Share Capital
- Issuance Of Non-Convertible Cumulative Redeemable Preference Shares

Signed this day of..... 2019

Signature of Shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.

**KIMIA BIOSCIENCES LIMITED
(FORMERLY KNOWN AS LAUREL ORGANICS LIMITED)**

Regd. Office: Village Bhondsi, Tehsil Sohna, Gurugram, Haryana, 122102

Tel: +91-9654206544, 9654746544, Fax : 011-47063601, CIN No. L24239HR1993PLC032120

Website: www.laurel.co.in Email ID: laurelorganicslimited@gmail.com, info@kimiabiosciences.com

**PAPER - MGT -12
BALLOT PAPER/POLLING PAPER**

Name(s) of Member(s) : (In BLOCK/CAPITAL LETTERS)	
Registered Address :	
DP ID / Client ID* or Registered Folio No :	
No. of equity shares held :	

***Applicable in case of Share held in electronic form**

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

Resolution No.	Resolution	No. of Equity Share(s) held	I/We assent to the resolution (For)*	I/We dissent to the resolution (Against)*
Ordinary Businesses				
1.	To receive, consider and adopt the Audited Standalone Financial Statements as well as Audited Consolidated Financial Statements of the Company for financial year ended 31st March, 2019 together with the Report of the Board of Directors and the Auditors thereon.			
2.	To appoint a director in place of Mr. Sameer Goel (DIN- 00161786), who retires by rotation, and being eligible, offers himself for re-appointment.			
Special Businesses				
3.	To approve the Remuneration payable to Mr. Sameer Goel, Managing Director			
4.	Ratification of the remuneration of the Cost Auditors for the financial year ending 31st March, 2020			
5.	Re-classification of Authorized Share Capital			
6.	Issuance Of Non-Convertible Cumulative Redeemable Preference Shares			

*Please put a tick mark (✓) in appropriate column against the resolution(s) indicated above. In case of member/proxy wishes his/her vote to be used differently, he/she should indicate the number of shares under the columns 'for' and/or 'against'.

Place:

Date:

Signature of Member



**Registered Office: Village Bhondsi Tehsil Sohna
Distt., Gurgaon-122102, Haryana, India,**

Tel: +91-9654206544, 9654746544, Fax : 011-47063601

CIN No. L24239HR1993PLC032120

Email ID: laurelorganicslimited@gmail.com, info@kimiabiosciences.com

Website: www.laurel.co.in