

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF J C BIOTECH PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of J C Biotech Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, 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 specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Matter

On account of the Covid-19 related lockdown restrictions, we were not able to physically observe the stock verification carried out by the management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the financial statements. Our report on the Statement is not modified in respect of this matter.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with

the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 in terms of Section 143(11) of the Act, we give in "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, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid 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 33 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For N A C And Associates LLP
ICAI FRN: 119375W/S200011
Chartered Accountants

Nikhil Surana
Partner
Membership No.: 232997
UDIN: 20232997AAAADF6627

Place: Secunderabad
Date : 15.05.2020

ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF M/s. J C BIOTECH PRIVATE LIMITED

On the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we state that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All the fixed assets have been physically verified by the management at reasonable intervals during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) According to the information and explanation given to us, the management has conducted physical verification of inventory at reasonable intervals during the year. Inventory in-transit have been verified by the management with reference to the subsequent receipt of goods. The discrepancies noticed on verification between the physical stock and book records were not material in relation to the operations of the Company and have been properly dealt with in the books of account.
- iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the reporting requirements of clause 3(iii) of the Order are not applicable to the Company and not commented upon.
- iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments, issued guarantees and security in terms of Section 185 and 186 of the Act. Accordingly, the reporting requirements of clause 3(iv) of the Order are not applicable to the Company and not commented upon.
- v) In our opinion and according to the information and explanations given to us, no deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company. Accordingly, reporting requirements of paragraph 3(v) of the Order are not applicable to the Company.
- vi) In our opinion and according to the information and explanations given to us, during the preceding financial year, the Company has not manufactured any products covered by the provisions of Section 148(1) of the Act and rules framed thereunder. Accordingly, the provisions of maintenance of cost records specified under Section 148(1) of the Act mentioned in clause

3(iv) of the Order are not applicable to the Company and not commented upon.

- vii) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March, 2020 for a period of more than six months from the date they became payable.
- b) According to the information and explanations give to us and the records of the Company, there are no dues of income tax or goods and service tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- viii) According to the records maintained by the Company and information and explanations given to us, the Company has not defaulted in repayment of loans to banks and financial institutions. The Company does not have any loans from Government or dues to debenture holders.
- ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were taken.
- x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Refer Note 32 to the financial statements.

- xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and accordingly, reporting requirements under paragraph 3(xiv) are not applicable and not commented upon.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with them as per the provisions of Section 192 of the Act. Accordingly, reporting requirements under paragraph 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 N A C And Associates LLP
ICAI FRN: 119375W/S200011
Chartered Accountants

Nikhil Surana
Partner
Membership No.: 232997
UDIN: 20232997AAAADF6627

Place: Secunderabad

Date : 15.05.2020

ANNEXURE B REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF J C BIOTECH PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of **J C Biotech Private Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide

reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, broadly in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For N A C And Associates LLP
ICAI FRN: 119375W/S200011
Chartered Accountants**

**Nikhil Surana
Partner
Membership No.: 232997
UDIN: 20232997AAAADF6627**

Place: Secunderabad
Date : 15.05.2020

Standalone Balance Sheet

As At 31st March, 2020

Particulars	Note	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	463,480,068	375,730,521
(b) Capital Work-In-Progress	3A	-	34,928,311
(c) Intangible Assets	4	216,440	96,274
(d) Financial Assets			
(i) Loans	5	9,175,197	8,723,697
(e) Other Non-Current Assets	6	1,880,690	9,127,217
Total Non-Current Assets		474,752,395	428,606,020
(2) Current Assets			
(a) Inventories	7	39,023,212	44,884,624
(b) Financial Assets			
(i) Trade Receivables	8	53,706,084	87,793,537
(ii) Cash and Bank Balances	9	20,833,759	5,514,309
(iii) Others	10	11,980,197	11,962,962
(c) Current Tax Assets	11	1,355,290	435,300
(d) Other Current Assets	12	5,276,279	2,550,656
		132,174,820	153,141,388
Total Current Assets		132,174,820	153,141,388
Total Assets		606,927,215	581,747,408
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	13	207,112,000	207,112,000
(b) Other Equity			
(i) Reserves			
1.1 Other Reserves	14	262,553,733	200,993,635
Equity Attributable to Equity Holders		469,665,733	408,105,635
Total Equity		469,665,733	408,105,635

JC BIOTECH PRIVATE LIMITED

Standalone Balance Sheet As At 31st March, 2020

Particulars	Note	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	16,272,687	38,807,579
(b) Provisions	16	1,884,790	325,119
(c) Deferred Tax Liabilities (Net)	17	25,640,901	19,943,370
Total Non Current Liabilities		43,798,378	59,076,068
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	45,528,943	43,143,690
(ii) Trade Paya	19	9,385,284	12,299,447
(iii) Other Finar	20	29,638,981	52,038,734
(b) Other Current Liabilities	21	8,190,872	5,404,959
(c) Short-Term Provisions	16	719,024	218,484
(d) Liabilities For Current Tax (Net)	22	-	1,460,391
Total Current Liabilities		93,463,104	114,565,705
Total Liabilities		606,927,215	581,747,408
		-	-
Significant Accounting Policies	1-2		
Notes Form An Integral Part of these	3-44		
Standalone Financial Statements			

As per our report of even date attached.

For **NAC & Associates LLP**

Chartered Accountants

Firm's Registration No: 119375W/S200011

For and on behalf of Board of Directors of
JC Biotech Private Limited

S.Chandra Sekhar

Managing Director

DIN : 00159543

B.Naveen Krishna

Executive Director

DIN : 07137132

Nikhil Surana

Partner

Membership No: 232997/ICAI

Vasudevan Iyer

Company Secretary

Membership No: A54536

Mukund M. Kabra

Director

DIN No. 00148294

TSSN Sivarama Prasad

Chief Financial Officer

Place : Hyderabad

Date: 15-05-2020

JC BIOTECH PRIVATE LIMITED

Standalone Statement of Profit and Loss for the year ended 31st March, 2020

Particulars	Note	Year ended 31 March 2020 Rs.	Year ended 31 March 2019 Rs.
Revenue			
Revenue From Operations	23	423,689,225	488,829,400
Other Income	24	828,870	1,269,681
Total Revenue		424,518,095	490,099,081
Expenses			
Cost of Materials Consumed	25	97,500,243	113,529,651
Changes In Inventories of Finished Goods and Work-In-Progress	26	4,325,965	13,360,251
Employee Benefit Expenses	27	61,135,561	57,366,746
Finance Costs	28	9,000,865	13,209,336
Depreciation and Amortization Expense	29	28,990,632	27,028,620
Other Expenses	30	142,935,466	119,174,552
Total Expenses		343,888,732	343,669,154
Profit Before Tax		80,629,363	146,429,927
Tax Expense			
Current Tax		18,856,752	35,114,714
Minimum Alternate Tax (MAT) Credit Entitlement		-	
Deferred Tax (Credit)/ Charge		3,707,659	12,226,259
Tax Adjustment For Earlier Years		- 2,640,461	840,875
Total Tax Expense		19,923,950	48,181,848
Profit/(Loss) For The Period		60,705,413	98,248,079

JC BIOTECH PRIVATE LIMITED

Standalone Statement of Profit and Loss for the year ended 31st March, 2020

Particulars	Note	Year ended 31 March 2020 Rs.	Year ended 31 March 2019 Rs.
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax related to items that will not be reclassified to profit or loss			
employee defined benefit plans		1,032,578 -	2,344,068
Deferred Tax Credit		(287,263)	682,593
reclassified to profit or loss		-	-
items that will be reclassified to profit or loss		-	-
		<u>745,315</u>	<u>1,661,475</u>
Total Comprehensive Income For The Period		59,960,098	99,909,554
Earnings Per Equity Share	31		
Basic		2.93	4.7
Diluted		2.93	4.7
Significant Accounting Policies	1-2		
Notes Form an Integral Part of these Standalone Financial Statements	3-44		
As per our report of even date attached.			
For NAC & Associates LLP Chartered Accountants Firm's Registration No: 119375W/S200011		For and on behalf of Board of Directors of JC Biotech Private Limited	
Nikhil Surana Partner Membership No: 232997/ICAI		S.Chandra Sekhar Managing Director DIN : 00159543	B.Naveen Krishna Executive Director DIN : 07137132
		Vasudevan Iyer Company Secretary Membership No: 54536	Mukund M. Kabra Director DIN No. 00148294
Place:Hyderabad Date: 15-05-2020		TSSN Sivarama Prasad Chief Financial Officer	

JC BIOTECH PRIVATE LIMITED

Statement of Changes in Equity (SOCIE) For the year ended March 31, 2020

(a) Equity Share Capital

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	20,711,200	207,112,000	20,711,200	207,112,000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	20,711,200	207,112,000	20,711,200	207,112,000

(b) Other Equity

Particulars	Reserves & Surplus			Rs.
	Securities Premium Account	Capital Contribution	Retained Earnings	Total Equity
Balance at March 31, 2018	7,290,000	1,600,000	90,594,081	99,484,081
Profit for the year	-	-	98,248,079	98,248,079
Other comprehensive income for the year	-	-	1,661,475	1,661,475
Guarantee Commission to AETL	-	1,600,000	-	1,600,000
Balance at March 31, 2019	7,290,000	3,200,000	190,503,635	200,993,635
Profit For The Year	-	-	60,705,413	60,705,413
Other Comprehensive Income For The Year	-	-	(745,315)	(745,315)
Guarantee Commission to AETL	-	1,600,000	-	1,600,000
Total	7,290,000	1,600,000	250,463,733	262,553,733
				-
Balance at March 31, 2020	7,290,000	4,800,000	250,463,733	262,553,733

**Notes Form An Integral Part of these Standalone
Financial Statements**

As per our report of even date attached.

For **NAC & Associates LLP**

Chartered Accountants

Firm's Registration No: 119375W/S200011

**For and on behalf of Board of Directors of
JC Biotech Private Limited**

Nikhil Surana

Partner

Membership No: 232997/ICAI

S.Chandra Sekhar

Managing Director

DIN : 00159543

B.Naveen Krishna

Executive Director

DIN : 07137132

Vasudevan Iyer

Company Secretary

Membership No: 54536

Mukund M. Kabra

Director

DIN No. 00148294

Place: Hyderabad

Date: 15-05-2020

TSSN Sivarama Prasad

Chief Financial Officer

JC BIOTECH PRIVATE LIMITED

Standalone Cash Flow Statement

For The Year Ended 31 March 2020

Particulars	Year ended 31 March 2020 Rs.	Year ended 31 March 2019 Rs.
A. Cash Flows From Operating Activities		
Profit Before Tax	80,629,363	146,429,927
Extraordinary Items	-	-
	80,629,363	146,429,927
Adjustments For Non-Cash Transactions		
Depreciation and Amortization Expense	28,990,632	27,028,620
(Profit)/ Loss on Sale Of Fixed Assets	-	-
Guarantee commission to Parent Company	1,600,000	1,600,000
Provision for Bad and Doubtful Trade Receivables	-	-
	111,219,995	175,058,546
Items Considered Separately		
Interest Income	(529,156)	(677,675)
Interest Expenses	8,960,801	13,183,874
	119,651,640	187,564,745
Operating Profit Before Working Capital Changes		
Increase in other non current liabilities and provisions	1,027,633	(3,219,895)
Increase in other Financial liabilities and provisions	1,319,483	2,143,637
Increase / (decrease) in trade payables	(2,914,164)	(12,384,734)
Increase / (decrease) in other current liabilities and provisions	2,785,914	3,192,254
(Increase)/decrease in inventories	5,861,412	9,582,565
(Increase) / decrease in trade receivables	34,087,454	(29,220,962)
(Increase) in Financial non current assets	(451,500)	(1,350)
(Increase) / decrease in other non current assets	7,246,527	(2,632,697)
(Increase) / decrease in Financial current assets	(17,235)	-
(Increase) / decrease in other current assets	(2,725,624)	(1,439,199)
Cash Generated From Operating Activities	165,871,539	153,584,364
Income Taxes Paid	(16,319,537)	(31,778,729)
Net Cash Generated From Operating Activities	149,552,002	121,805,635
B. Cash Flows From Investing Activities		
Purchase of fixed assets (tangible and intangible both)	(81,932,034)	(55,492,860)
Proceeds from sale of tangible assets	-	-
Interest received	529,156	677,675
Net Cash (used in) Investing Activities	(81,402,878)	(54,815,185)

Standalone Cash flow statement (Continued)
for the year ended 31 March 2019

C. Cash Flows From Financing Activities

Proceeds from issue of share capital (net of share issue expenses)	-	-
(Repayment of)/ share application money	-	-
(Repayment of)/ proceeds from long-term borrowings (net)	(22,534,892)	(43,889,582)
(Repayment of)/ proceeds from short-term borrowings (net)	(21,333,983)	(5,340,795)
Interest paid	(8,960,801)	(13,183,874)
Net Cash Generated From Financing Activities	(52,829,676)	(62,414,251)

Net (Decrease) / Increase In Cash And Cash Equivalents	15,319,449	4,576,199
Cash and Cash equivalents as at the beginning of the year	5,514,309	938,110

Cash and Cash Equivalents As At The End of the Year*	20,833,758	5,514,309
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*** Composition of Cash and Cash Equivalents**

Cash In Hand	298,820	44,876
Balance with Banks :		
Current Account	20,534,939	5,469,434
	20,833,759	5,514,309

Notes to the Standalone Cash Flow Statement

- 1) The cash flow statement has been prepared under indirect method as set out in IND AS 7, 'Cash Flow Statement' as notified by the Central Government under the Companies Act, 2013.

As per our report of even date attached.

For NAC & Associates LLP

Chartered Accountants

Firm's Registration No: 119375W/S200011

**For and on behalf of Board of
JC Biotech Private Limited**

Nikhil Surana

Partner

Membership No: 232997/ICAI

S.Chandra Sekhar

Managing Director

DIN : 00159543

B.Naveen Krishna

Executive Director

DIN : 07137132

Mukund M. Kabra

Director

DIN No. 00148294

Place : Hyderabad

Date: 15-05-2020

Vasudevan Iyer

Company Secretary

Membership No: 54536

TSSN Sivarama Prasad

Chief Financial Officer

JC BIOTECH PRIVATE LIMITED

Notes to the Financial Statements

For the year ended 31 March 2020

1 Overview of the Company

JC Biotech Private Limited ('the Company') was incorporated on 31 December 1991 under the provisions of Companies Act, 1956. The Company is engaged in the business of manufacturing and sales of Bio Pharmaceuticals through the process of aerobic fermentation.

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in the financial statements.

2.1 Basis of preparation & compliance with IND AS

- a. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2020, the Company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP').

b. **Functional and presentation currency**

These financial statements are presented in Indian rupees, which is also the Company's functional currency.

c. **Basis of measurement**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset)/ liability that are measured at fair value of plan assets less present value of defined benefit

d. **Current versus non-current classification**

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

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

Held primarily for the purpose of trading

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

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

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

It is due to be settled within 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

The Company classifies all other liabilities as non-current.

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

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

e. Use of estimates

The preparation of Financial Statements in conformity with the generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements are reviewed on an ongoing basis. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2020 are as follows:

i. Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

ii. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

iii. Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

f. Measurement of fair values

The accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

g. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers below, if any:

- Variable consideration - This includes bonus, incentives, discounts etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.
- Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.
- Consideration payable to a customer – Such amounts are accounted as reduction of transaction price and therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Company.

The Company provides warranties for general repairs (e.g. manufacturing related defects) that existed at the time of transfer of control as per the contract terms. These assurance type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Further, in accordance with Ind AS 37, the Company recognises a provision for onerous contract when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to the existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

The accounting policies for specific revenue streams of the company is summarised below:

(i) Sales of goods - Customers obtain control of the goods when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 30 days. No discounts are provided.

(ii) Construction contracts - Revenue is recognised over time based on the cost to cost method. The related costs are recognised in profit or loss when they are incurred. Advances received are included in the contract liabilities.

- i. Sale of goods is recognized as revenue when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates
- ii. Income from services rendered is recognized based on agreements with the customers using the proportionate completion method, when services are performed and no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering of service.
- iii. Export incentives pursuant to the Duty Drawback Scheme are accounted on an accrual basis, to the extent it is probable that realization is certain.
- iv. Interest income is recognized on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

h. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and Minimum Alternate Tax (MAT) credit entitlement.

i. Current tax

Current tax is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961.

ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

iii. Minimum Alternate Tax (MAT)

MAT is recognised as an assets only when & to the extent there is convencing 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 recognised, it is credited to the statement of profit & loss & is considered as (MAT credit entitlement). The company review the same at each Balance Sheet date & writes down the carrying amount of MAT credit entitlement to the extent there is no longer convencing evidence to the effect that the comapny will pay normal income tax during the specified period. MAT credits are in the form of unused tax credits that are carried forward by the company for a specified period of time, hence, it is presented as Deferred Tax Assets.

i. Borrowing costs

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalized as cost of that asset until it is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue and recognized as an expense in the Statement of Profit and Loss.

j. Research and development costs

Research and development costs incurred for development of products are expensed as incurred, except for development costs that relate to the design and testing of new or improved materials, products or processes, which are recognized as an intangible asset to the extent that it is technically feasible to complete the development of such asset and future economic benefits are expected to be generated from such assets.

k. Property, plant and equipment and depreciation

- i. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost includes taxes, duties, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving at the purchase price.
- ii. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the exisiting asset beyond its previously assessed standard of performance.
- iii. Capital work-in-progress includes fixed assets not ready for their intended use and related incidental expenses and attributable interest.

iv. The estimated useful life of assets are

Building	30-60 years
Plant and equipment	20-25 years
Plant and equipment - R & D	10 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computer and data processing equipment	3 years

- v. Depreciation on tangible fixed assets (property, plant and equipment) other than plant and equipment has been provided on Written Down Value method and on plant and equipment on Straight Line Method. Depreciation is provided on a pro-rata basis, i.e. from the date on which asset is ready for use.

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

- vi. Items of fixed assets that are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately under other current assets in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss.
- vii. An item of property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.
- viii. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment

I. Impairment of Property, plant and equipments

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

Leases

As At 31st March, 2020

As At 31st March, 2020

Gross Block	Land Freehold	Buildings	Plant and Equipment	Electrical Installations	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Total
Balance as at 31 March 2018	20,355,065	82,041,596	319,411,817	7,903,768	210,883	1,956,780	659,822	1,235,605	433,775,336
Additions	-	515,786	16,341,820	-	866,403	4,472,854	459,168	196,600	22,852,631
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	20,355,065	82,557,382	335,753,637	7,903,768	1,077,286	6,429,634	1,118,990	1,432,205	456,627,967
Additions	-	26,320,605	88,454,438	475,750	370,468	-	863,025	213,559	116,697,845
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 Mar 2020	20,355,065	108,877,987	424,208,075	8,379,518	1,447,754	6,429,634	1,982,015	1,645,764	573,325,812
Accumulated Depreciation and Amortization									
Balance as at 31 March 2018	-	14,655,351	34,315,710	2,560,401	107,681	1,040,103	349,303	872,910	53,901,459
Depreciation and Amortization	-	6,176,462	18,017,275	1,309,982	109,299	816,883	266,317	299,769	26,995,987
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	20,831,813	52,332,985	3,870,383	216,980	1,856,986	615,620	1,172,679	80,897,446
Depreciation and Amortization	-	6,042,170	19,275,748	1,308,825	306,609	1,406,239	406,688	202,019	28,948,298
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-
Balance as at 31 Mar 2020	-	26,873,983	71,608,733	5,179,208	523,589	3,263,225	1,022,308	1,374,698	109,845,744
Net Block									
As At 31 March 2019	20,355,065	61,725,569	283,420,652	4,033,385	860,306	4,572,648	503,370	259,526	375,730,521
As At 31 March 2020	20,355,065	82,004,004	352,599,342	3,200,310	924,165	3,166,409	959,707	271,066	463,480,068

Buildings	Plant and Equipment	Electrical Installations	Furniture & Fixtures	Vehicles	Office Equipment	Computer	Total
953,928	1,184,154	-	-	-	150,000	-	2,288,082
15,862,693	32,600,988	-	866,403	-	4,782,022	196,600	54,308,706
515,786	15,157,666	-	866,403	-	4,932,022	196,600	21,668,477
16,300,835	18,627,476	-	-	-	-	-	34,928,311

JC Biotech Private Limited

Notes to the Standalone Financial Statements *(Continued)*

As At 31st March, 2020

4 Intangible assets

		Rs.
Gross Block	Computer Software License	Total
Balance as at 31 March 2018	137,400	-
Additions	-	-
Disposals	-	-
Balance as at 31 March 2019	137,400	137,400
Additions	162,500	162,500
Disposals	-	-
Balance as at 31 March 2020	299,900	299,900
Accumulated amortization		
Balance as at 31 March 2018	8,493	8,493
Amortization	32,633	-
Balance as at 31 March 2019	41,126	8,493
Amortization	42,334	42,334
Balance as at 31 March 2020	83,460	50,827
Net block		
Balance as at 31 March 2019	96,274	96,274
Balance as at 31 March 2020	216,440	249,073

JC Biotech Private Limited

Notes to the Standalone Financial Statements *(Continued)*

As At 31st March, 2020

5 Non Current Loans

(unsecured considered good unless otherwise stated)

	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Security Deposits	9,175,197	8,723,697
	9,175,197	8,723,697

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued)

As At 31st March, 2020

	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
7 Inventories (valued at lower of cost and net realizable value)		
Raw materials and packing materials	26,890,338	27,334,141
Work-in-progress	-	4,221,534
Finished goods	1,181,600	1,286,031
Stores, Spares and fuel	10,951,274	12,042,918
	39,023,212	44,884,624
8 Trade receivables		
Unsecured, considered good	53,706,084	87,793,537
Doubtful	-	852,505
	53,706,084	88,646,042
Less : Allowances for bad and doubtful debts	-	-
Less : Bad and doubtful debts - Written off	-	852,505
	53,706,084	87,793,537
	53,706,084	87,793,537

8.1 Refer note 44 for information about credit risk and market risk of trade receivables

8.2 The above balance includes amounts due by Holding company (Refer note 32)

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JC Biotech Private Limited

Notes to the Standalone Financial Statements (*Continued*) As At 31st March, 2020

	As at 31 March 2020 Rs	As at 31 March 2019 Rs
9 Cash and Cash Equivalents		
Cash on hand	298,820	44,876
Balances with banks - in current accounts	20,534,939	5,469,434
	20,833,759	5,514,309

JC Biotech Private Limited

Notes to the Standalone Financial Statements *(Continued)*

As At 31st March, 2020

	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
6 Other Non-Current Assets <i>(unsecured considered good unless otherwise stated)</i>		
Capital Advances	1,880,690	9,127,217
	<u>1,880,690</u>	<u>9,127,217</u>

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued) As At 31st March, 2020

	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
10 Other Current Financial Assets <i>(unsecured considered good unless otherwise stated)</i>		
Subsidy Receivable	11,521,192	11,521,192
Interest Receivable	459,005	441,770
	11,980,197	11,962,962
11 Current Tax Assets (Net)		
Income Tax Paid (Net of provision)	1,355,290	435,300
	1,355,290	435,300
12 Other Current Assets <i>(unsecured considered good unless otherwise stated)</i>		
Prepaid Expenses	2,408,529	939,366
Advance to Suppliers	2,206,932	334,954
Balance With Statutory / Government Authority	-	-
Employees Advances	627,300	245,550
Others	33,518	45,764
Excess of Planned Assets over Obligation - Gratuity	-	985,021
	5,276,279	2,550,655

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued)

As At 31st March, 2020

13 Share Capital

	As at 31 March 2020		As at 31 March 2019	
	Number	Rs.	Number	Rs.
Authorized				
Equity shares of Rs.10 each	21,000,000	210,000,000	21,000,000	210,000,000
	21,000,000	210,000,000	21,000,000	210,000,000
Issued, subscribed and fully paid up				
Equity shares of Rs.10 each	20,711,200	207,112,000	20,711,200	207,112,000
Total	20,711,200	207,112,000	20,711,200	207,112,000
a) Reconciliation of Equity Share Capital				
	As at 31 March 2020		As at 31 March 2019	
	Number	Rs.	Number	Rs.
Balance at the beginning of the year	20,711,200	207,112,000	20,711,200	207,112,000
Add : Issued during the year	-	-	-	-
Balance at the end of the year	20,711,200	207,112,000	20,711,200	207,112,000

b) Shareholders holding more than 5% of the shares

	Number	% of holding	Number	% of holding
<u>Equity shares of Rs.10 each</u>				
Advanced Enzyme Technologies Ltd.	14,499,000	70.01%	14,499,000	70.01%
Singavarapu Chandra Sekhar	4,287,090	20.70%	4,287,090	20.70%

c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The final dividend, if any, proposed by Board of Directors is subject to approval by the Shareholders. All shares rank pari passu on repayment of capital in the event of liquidation.

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued) As At 31st March, 2020

Other Equity :

14 Reserves and Surplus

Capital Contribution (Guarantee Commission charged by AETL)

Balance at the beginning of the year	3,200,000	1,600,000
Add : Provided during the year	1,600,000	1,600,000
	4,800,000	3,200,000

Securities Premium

Balance at the beginning of the year	7,290,000	7,290,000
Add : Shares issued during the year	-	- 0
	7,290,000	7,290,000

Surplus in the Statement of Profit and Loss

Balance at the beginning of the year	190,503,635	90,594,081
Add : Profit for the year	60,705,413	98,248,079
Add : Other comprehensive income / (loss)	(745,315)	1,661,475
Balance at the end of the year	250,463,733	190,503,635
	262,553,733	200,993,635

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued) As At 31st March, 2020

15 Borrowings - Non Current

	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Secured		
From banks		
YES Bank Limited - Term Loan	-	-
YES Bank Limited - Drop Line Overdraft facility	11,824,687	29,877,982
From others		
Biotechnology Industry Research Assistance Council (SBIRI DBT)	4,448,000	8,896,000
Accrued interest on SBIRI DBT	-	33,597
	16,272,687	38,807,579

a) Details of guarantee for each type of borrowings :

	As at 31 March 2020		As at 31 March 2019	
	Long-Term Rs.	Short-Term Rs.	Long-Term Rs.	Short-Term Rs.
Guaranteed by the Managing Director				
Term loans				
From YES bank (including current maturities)	-	-	0	23,360,000
Dropline overdraft facility from Yes Bank	11824687	16980000	29877982	16980000
Loans repayable on demand				
From Yes bank (Working Capital loans)	0	45528943	0	43,143,690
Guaranteed by the Parent Company (AETL)				
Loans from YES Bank limited	11,824,687	62,508,943	29,877,982	83,483,690

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued) As At 31st March, 2020

b) Details of security for each type of borrowing as at 31 March 2020

- (a) The Term Loan and Drop Line Overdraft from Yes Bank is secured by way of Hypothecation of current assets and movable assets of the company and deed of mortgage on Immovable properties of the company.
Personal guarantee of S Chandra Sekhar.
- (b) Term Loan from Biotechnology Industry Research Assistance Council (BIRAC/SBIRI) is secured by way of Hypothecation of Assets acquired for the project sanctioned by BIRAC/SBIRI.

15 Borrowings (Continued)

c) Terms of Repayment of Term Loans and Other Loans

Term Loan from Banks & Others

Name	Rate of Interest	Tenor	No of Installment	Date of Maturity
Yes Bank Term Loan	0.45% over and Above 1 Yr. MCLR	36 Months	12 - Quarterly	3-31-2020
Yes Bank DLOD		60 Months	60 - Monthly	3-31-2022
SIBRI/BIRAC - DBT	Upto Rs.100 Lakhs - 1%, Balance - 2 %	5 Years	10 Half Yearly	5-5-2022

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued) As At 31st March, 2020

16 Provisions

Provisions for Employee Benefits :

	As at 31 March 2020		As at 31 March 2019	
	Long Term Rs.	Short Term Rs.	Long Term Rs.	Short Term Rs.
Gratuity	511,556	396,605	-	-
Compensated absences	1,373,234	322,419	325,119	218,484
	1,884,790	719,024	325,119	218,484

Notes:

a) Employee Benefits

The Company provides for gratuity benefit and compensated absences, which are defined benefit plans, covering all its eligible employees. The Company has taken a group gratuity and compensated absences policy for its employees with the Life Insurance Corporation of India (LIC). Under gratuity policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death, whichever is earlier (subject to completion of 4.5 years of employment) in lumpsum after deduction of necessary taxes.

The following table set out the status of the gratuity and compensated absences plan as required under Accounting Standard (AS) - 19 - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Reconciliation of defined benefit obligation

	As at 31/03/2020		As at 31/03/2019	
	Long Term		Long Term	
	Gratuity Rs.	Compensated Absence Rs.	Gratuity Rs.	Compensated Absence Rs.
Additional charge *	-	-	-	-
Service cost	1,138,402	915,939	846,333	515,613
Interest cost	445,751	225,973	666,716	86,612
Actuarial Remeasurement loss/(gain)	778,527	182,443	4,097,943	1,639,689
Past service cost	-	-	-	-
Benefits paid	-	-	591,598	917,374
Projected benefit obligation at the end of the year	8,084,774	4,225,161	5,722,094	2,900,806

Reconciliation of fair value of plan assets

Plan assets at the beginning of the year	6,707,115	2,357,202	4,655,427	1,458,936
Expenses deducted from the fund	-	-	-	-
Expected return on plan assets	522,484	183,626	427,477	145,636
Actuarial gain/(loss)	- 94,902	- 65,485	- 44,191	- 69,996
Employer contributions	-	-	2,260,000	1,740,000
Additional charge *	41,915	46,863	-	-
Benefits paid	-	-	591,598	917,374
Plan assets at the end of the year	7,176,612	2,522,206	6,707,115	2,357,202

Reconciliation of present value of obligation and the fair value of plan assets
Present value of projected benefit obligation at the end of the year

	As at 31/03/2020		As at 31/03/2019	
	Long Term		Long Term	
	Gratuity Rs.	Compensated A Rs.	Gratuity Rs.	Compensated A Rs.
	8,084,774	4,225,161	5,722,094	2,900,806

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued) As At 31st March, 2020

Plan assets at the end of the year	7,176,612	2,522,206	6,707,115	2,357,202
Liability / (asset) recognized in the balance sheet	908,162	1,702,955	- 985,021	543,604

Classification of liability recognized

Non-current	7,688,169	3,902,741	-	2,682,322
Current	396,605	322,419	366,451	218,484

Net cost recognized in Statement of Profit and Loss

Current service cost	1,138,402	915,939	846,333	515,613
Interest on obligation	445,751	225,973	666,716	86,612
Expected (returns)/ loss on plan assets	- 522,484	- 183,626	- 427,477	- 145,636
Net actuarial loss/(gain) (recognised in OCI)	873,429	247,928	- 4,053,752	1,709,685
Past service cost	-	-	-	-
Expenses deducted from the fund	-	-	-	-
Additional charge	-	-	-	-
	1,935,098	1,206,214	- 2,968,180	2,166,274

As at 31/03/2020	As at 31/03/2019
------------------	------------------

Composition of the plan assets

Policy of insurance	100%	100%
---------------------	------	------

Assumptions used

Discount rate	6.78%	7.79%
Rate of return on plan assets	6.78%	7.79%
Salary Escalation	6.00%	6.00%
Withdrawal rates	4.00%	4.00%
Leave availment rates	-	-
Retirement age	60 Yrs	60 Yrs

Mortality rates As published under the indian assured lifes mortality (2012-14) table

Age (in years)			
20			
30			
40			
50		Avarage age of employees - 32.04 years	Avarage age of employees - 31.70 years
60			

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

	As at 31/03/2020	As at 31/03/2019
	Long Term	Short Term
	Rs.	Rs.

Compensated absences short-term obligation

Undiscounted value (provision) of obligation at the year end	-	-	-	-
--	---	---	---	---

As at 31/03/2020	As at 31/03/2019
Long Term	Short Term

b) Charge to Statement of Profit and Loss towards contribution to:

JC Biotech Private Limited

Notes to the Standalone Financial Statements *(Continued)*

As At 31st March, 2020

Superannuation		
Provident fund	624,064	785,102
Employees State Insurance Corporation and labour welfare	1,061,669	-

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued)

As At 31st March, 2020

17 Deferred Tax Liabilities (Net)

Deferred Tax Liability Relating To

Accumulated depreciation for tax purposes

As at 31 March 2020 Rs	As at 31 March 2019 Rs
47,683,838	44,026,607
47,683,838	44,026,607
22,767,319 (724,381) -	25,044,454 (278,625) (682,593)
22,042,938	24,083,237
25,640,901	19,943,370

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued) As At 31st March, 2020

18 Borrowings - Current

	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Secured		
Loans repayable on demand		
From banks in rupees		
Cash Credit facility from YES Bank Limited	45,528,943	43,143,690
	45,528,943	43,143,690

a) Details of guarantee for each type of borrowings:

	As at 31 March 2020		As at 31 March 2019	
	Long-Term Rs.	Short-Term Rs.	Long-Term Rs.	Short-Term Rs.
Guaranteed by the Managing Director				
Term loans				
From YES bank (including current maturities)	-	-	-	23,360,000
Dropline overdraft facility from Yes Bank Limited	11,824,687	16,980,000	29,877,982	16,980,000
Loans repayable on demand				
From Yes bank (Working Capital loans)	-	45,528,943	-	43,143,690
Guaranteed by the Parent Company (AETL)				
Loans from YES Bank limited	11,824,687	62,508,943	29,877,982	83,483,690

b) Details of security for each type of borrowing as at 31 March 2020

(1) The Cash credit facility from Yes Bank is secured by way of Hypothecation of current assets and movable assets of the company and deed of mortgage on Immovable properties of the company. Personal guarantee of S Chandra Sekhar

c) Terms of Repayment of Term Loans and Other Loans:
Loan repayable on demand

(i) Cash Credit from YES bank for Rs. 500 lakhs carries an interest rate of 0.45% over and above 1 Yr MCLR.

Notes to the Standalone Financial Statements (Continued)
As At 31st March, 2020

19 Trade Payables

	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Total outstanding dues to micro and small enterprises (refer note below)	2,820,520	5,131,715
Total outstanding dues to others	6,564,764	7,167,732
	9,385,284	12,299,447

Note:

19.1 Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act

Principal amount remaining unpaid	2,820,520	5,131,715
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at balance sheet date	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

19.2 The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 has been made in the standalone financials statements based on information received and available with the Company.

Notes to the Standalone Financial Statements (*Continued*)
As At 31st March, 2020

20 Current - Other Financial Liabilities

Current maturities of long-term borrowings

- From banks

- Others (SBIRI-DBT)

Interest accrued but not due

Sundry creditors for capital goods

Other payables - for expenses

	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
	16,980,000	40,340,000
	4,448,000	4,448,000
	36,025	395,261
	2,694,433	1,536,916
	5,480,523	5,318,557
	29,638,981	52,038,734

JC Biotech Private Limited

Notes to the Standalone Financial Statements (*Continued*)

As At 31st March, 2020

21 Other Current Liabilities

Statutory Dues

Provident Fund Payable

Employees' State Insurance Scheme contribution payable

Other dues payable

As at 31 March 2020	As at 31 March 2019
Rs.	Rs.
552,699	517,055
55,772	107,460
7,582,401	4,780,444
8,190,872	5,404,959

22 Current Tax Liabilities (Net)

Provision for Income Tax (Net of Payment)

-	1,460,391
-	1,460,391

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued)
for the year ended 31st March, 2020

	Year ended 31 March 2020	Year ended 31 March 2019
	Rs.	Rs.
23 Revenue		
Revenue from operations		
Sale of goods		
Export	-	-
Domestic	423,689,225	488,829,400
Revenue from operations	423,689,225	488,829,400
Details of goods sold		
- Manufactured goods		
- Enzymes	423,689,225	488,829,400
	423,689,225	488,829,400
24 Other Income		
Interest income		
- on others	529,156	490,856
Scrap sales	130,046	96,670
Credit Balances Written Off	56,655	127,415
Other non-operating income	113,013	554,740
	828,870	1,269,681
25 Cost of Materials Consumed		
Opening stock		
Raw materials and packing material	27,334,141	25,914,829
Add : Purchases during the year		
Raw materials and components	97,056,440	114,948,963
	124,390,581	140,863,792
Less : Closing stock		
Raw materials and packing material	26,890,338	27,334,141
	97,500,243	113,529,651
Details of Consumption		
- Raw materials and components		
- Agricultural Products	29,647,914	25,303,096
- Dairy Products	49,756,275	46,594,043
- Packing material	1,755,755	1,284,443
- Others	16,340,299	35,727,188
	97,500,243	108,908,770

JC Biotech Private Limited**Notes to the Standalone Financial Statements (Continued)**
for the year ended 31st March, 2020**26 Changes in Inventories of Finished Goods and Work-In-Progress**

Opening stock		
- Finished goods	1,286,031	11,762,099
- Work-in-progress	4,221,534	7,105,717
	5,507,565	18,867,816
Closing stock		
- Finished goods	1,181,600	1,286,031
- Work-in-progress	-	4,221,534
	1,181,600	5,507,565
	4,325,965	13,360,251

27 Employee Benefit Expenses

Salaries, wages and bonus	50,548,192	48,825,315
Contribution to gratuity, provident and other funds	5,917,508	3,988,915
Staff welfare expenses	4,667,206	4,467,816
Training Expenses	2,655	84,700
	61,135,561	57,366,746

28 Finance Costs

Interest Expenses		
on Term Loans	1,599,938	3,883,889
on Working Capital facilities	3,443,371	3,898,678
on Dropline OD facility	3,907,783	5,400,577
on others	9,709	730
Bank charges	40,064	25,462
	9,000,865	13,209,336

29 Depreciation and Amortization Expense

Depreciation of tangible fixed assets	28,948,298	26,995,987
Amortization of intangible fixed assets	42,334	32,633
	28,990,632	27,028,620

JC Biotech Private Limited**Notes to the Standalone Financial Statements (Continued)**
for the year ended 31st March, 2020**30 Other Expenses****Manufacturing Expenses**

Consumption of stores and spare parts	15,760,906	8,659,292
Consumption of Consumables	8,217,089	4,055,717
Power and fuel	74,144,894	73,947,330
Carriage inward and freight	1,245,345	946,137
Repairs and maintenance		
- Buildings	3,870,305	1,221,009
- Plant and equipment	5,379,718	1,155,819
- Others	1,379,236	476,441
Analysis & Testing Charges	5,008,460	5,168,840
Insurance	1,289,091	1,064,274
Other manufacturing expenses	7,098,961	5,335,760
	123,394,005	102,030,618

Selling and Distribution Expenses

Freight outward and forwarding	825,780	954,092
	825,780	954,092

Administrative and General Expenses

Rent	759,000	759,000
Rates and taxes	1,430,813	1,509,903
Vehicle maintenance	2,437,324	2,315,613
Printing and stationery	320,960	528,098
Communication expenses	345,961	403,668
Directors' sitting fees	205,000	280,000
Legal and professional charges	1,658,399	1,368,616
Payments to auditors	300,000	300,000
Internal Audit Fees	125,000	125,000
Research and Development expenses	4,671,276	4,028,056
Commuting expenses	610,360	539,186
Other expenses	5,851,588	4,032,702
	18,715,681	16,189,841
	142,935,466	119,174,552

JC Biotech Private Limited**Notes to the Standalone Financial Statements (Continued)**
for the year ended 31st March, 2020**31 Earnings per Share**

The basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive. The earnings per share is calculated as under:

a) Profit for computing basic and diluted earning per share (Rs.)		
Net profit after tax for the year	60705413	98248079
b) Computation of weighted average number of shares		
Basic	20711200	20711200
Weighted average number of equity shares issued during the year	0	0
Weighted average number of equity shares outstanding during the year	20711200	20711200
c) Nominal value of shares (in Rs.)	10	10
d) Computation		
Basic & Diluted earnings per share (in Rs)	2.93	4.74

JC Biotech Private Limited

Notes to the Standalone Financial Statements (*Continued*)

As At 31st March, 2020

32 Related Party Disclosures

a) Names of Related Parties

I	Holding Company	
	Advanced Enzyme Technologies Limited	
II	Key Management Personnel (KMP)	
	Mr. S. Chandra Shekhar	Managing Director
	Mr. B. Naveen Krishna	Director
	Mr. B Krishna Mohan Rao	Chief Financial Officer(Till 12.08.2018)
	Mr. TSSN Sivarama Prasad	Chief Financial Officer(From 07.02.2019)
	Mr. Prabal Bordiya	Company Secretary (Till 06.09.2018)
	Mr. Vasudevan Iyer	Company Secretary (From 18.11.2018)
	Mr. Mukund Madhusudan Kabra	Director
	Mr. Kedar Jagdish Desai	Director
	Mr. Chandrakumar Laxminarayan Rathi	Director(Till 14/09/2018)
	Mr. Piyush Chandrakumar Rathi	Director (Till 31/12/2018)
	Mr. Satish Pagar	Director (From 30/01/2019)
	Mr. Beni Prasad Rauka	Director(From 30/01/2019)
	Mr. Pramod Kasat	Director
	Relatives of KMP :	
		Relative of a director
	Mrs. Divya P. Rathi	
	Mrs. Gitanjali M. Kabra	

Note:

Related party relationships have been identified by the management and relied upon by the auditors.

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued)

As At 31st March, 2020

Related Party Disclosures - As per Indian Accounting Standard (Continued)

b) Transactions with Related parties

Rs.

Transactions during the year	Parent Company		KMP and Relatives		Other Related Parties	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
1 Sale of goods						
Advanced Enzyme Technologies Ltd.	423,517,225	488,657,400	-	-	-	-
	423,517,225	488,657,400	-	-	-	-
2 Purchases						
Advanced Enzyme Technologies Ltd.	1,351,588	530,186	-	-	-	-
	1,351,588	530,186	-	-	-	-
3 Remuneration *						
S. Chandra Shekhar	-	-	2,592,000	2,400,000	-	-
B. Naveen Krishna	-	-	2,592,000	2,400,000	-	-
B Krishna Mohan Rao	-	-	-	811,871	-	-
TSSN Sivarama Prasad	-	-	895,000	125,893	-	-
Vasudevan Iyer	-	-	650,000	238,335	-	-
Prabal Bordiya	-	-	-	319,762	-	-
	-	-	6,729,000	6,295,861	-	-
4 Interest on Unsecured Loans						
S. Chandra Shekhar	-	-	-	1,472,793	-	0
	-	-	-	1,472,793	-	-
5 Directors sitting fees						
Mr. Kedar Jagdish Desai	-	-	95,000	150,000	-	-
Mr. Pramod Kasat	-	-	110,000	130,000	-	-
	-	-	205,000	280,000	-	-
6 Directors Commission						
B. Naveen Krishna	-	-	607,054	982,481	-	-
	-	-	607,054	982,481	-	-
7 Corporate Guarantee Commission						
Advanced Enzyme Technologies Ltd.	1,600,000	1,600,000	-	-	-	0
	1,600,000	1,600,000	-	-	-	-

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued)

As At 31st March, 2020

Related Party Disclosures (Continued)

c) Balances at the year end

Rs.

Outstanding balances

1 Trade Receivables

Advanced Enzyme Technologies Ltd.

Parent Company		KMP and Relatives		Other Related Parties	
Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
53,503,124	87,590,577	-	-	-	0
53,503,124	87,590,577	-	-	-	-

2 Trade Payables

Advanced Enzyme Technologies Ltd.

178,209	530,186	-	-	-	0
178,209	530,186	-	-	-	-

3 Unsecured Loans

S. Chandra Shekhar

-	-	-	-	-	0
-	-	-	-	-	-

4 Gaurantees given by

S. Chandra Shekhar

Advanced Enzyme Technologies Ltd.

-	-	Given to Yes Bank	Given to Yes Bank	-	-
201,000,000	201,000,000	-	-	-	-
201,000,000	201,000,000	-	-	-	-

JC Biotech Private Limited

Notes to the Standalone Financial Statements (Continued) As At 31st March, 2020

33 Contingent Liabilities and Commitments

a) Contingent Liabilities

- i) Pertains to income tax demand/ matters on account of deductions/ disallowances for earlier years, pending for appeals consequent to order passed against the Company/ demands raised by the Department under Income Tax Act, 1961.

As at 31 March 2020	As at 31 March 2019
Rs.	Rs.
-	-
-	-

b) Commitments

Estimated amount of commitments remaining to be executed
- Capital (net of advances)

As at 31 March 2020	As at 31 March 2019
Rs.	Rs.
-	4,299,528
-	4,299,528

34 Research and Development

The Company has incurred the following expenditure on research and development activities:

Capital Expenditure

Purchase of Lab Equipment

45,529 -

Revenue Expenditure

Laboratory expenses and consumables

1,030,707 1,229,011

Employee benefit expenses

3,373,119 2,725,020

Repairs and maintenance

267,450 74,025

Other expenses

- -

4,671,276 4,028,056

Less: Other non-operating income

- -

4,716,805 4,028,056

This information also complies with the terms of the recognition granted upto 31 March 2020 to the Company's In- House Research and Development Activities by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, vide their letter No. TU/IV-RD/3406/2015 dated 19 May 2015.

JC Biotech Private Limited

Notes to the Standalone Financial Statements (*Continued*) for the year ended 31 March 2020

	Year ended 31 March 2020	Year ended 31 March 2019
	Rs.	Rs.
35 Earnings in Foreign Currency on Accrual Basis		
Export value of goods on FOB basis	-	-
Service income	-	-
	-	-
36 Expenditure in Foreign Currency on Accrual Basis		
R & D Expenses	-	340,467
Testing Expenses	-	1,090,268
Purification Charges	-	135,400
	-	1,566,135
37 Value of imports on CIF basis		
Raw Materials	3,655,399	6,324,691
Stores and Spare parts	843,076	5,950,357
	4,498,475	12,275,048
38 Imported and Indigenous Consumption		
Raw Materials and Packing Material		
Imported		
- Amount	3,655,399	3,684,664
- Percentage	3.75%	3.78%
Indigenous		
- Amount	93,844,844	109,844,987
- Percentage	96.25%	96.75%
Total		
- Amount	97,500,243	113,529,651
- Percentage	100.00%	100.53%
Stores and spares		
Imported		
- Amount	843,076	3,503,964
- Percentage	9.74%	48.99%
Indigenous		
- Amount	7,816,216	3,648,025
- Percentage	90.26%	51.01%
Total		
- Amount	8659292	7151990
- Percentage	100.00%	100.00%

JC Biotech Private Limited

Notes to the Standalone Financial Statements (*Continued*) for the year ended 31 March 2020

	Year ended 31 March 2020	Year ended 31 March 2019
	Rs.	Rs.
39 Payments to Auditors (excluding GST & Service Tax)		
To Auditor		
Statutory Audit	225,000	225,000
Limited Review	75,000	75,000
	300,000	300,000

40 Segment Reporting

Primary Segment

The Company operates only in one primary business segment viz. 'manufacturing and sales of enzyme(SRP)' and hence no separate information for primary segment wise disclosure is required.

Secondary Segment (based upon geography)

	Year ended 31 March 2020	Year ended 31 March 2019
	Rs.	Rs.
Segment Revenue (based upon location of customers)		
Within India	423,689,225	488,829,400
Outside India	-	-
	423,689,225	488,829,400
	Year ended 31 March 2020	Year ended 31 March 2019
	Rs.	Rs.
Segment Assets (based upon location of assets)		
Within India	463,696,508	375,730,521
Outside India	-	-
	463,696,508	375,730,521

41 CSR Activities

As per section 135 of the Companies Act, 2013, amount required to be spent by the company during the year ended March 31, 2020 is Rs. 15,77,459, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility(CSR). The company incurred an amount of 15,77,459 during the year ended March 31, 2020 and an amount of Rs.6,19,105 for the year ended March 31, 2019 towards CSR expenditure for purposes other than construction / acquisition of any asset.

JC Biotech Private Limited

Notes to the Financial Statements
For the year ended 31 March 2020

Note 42

Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

	Year ended 31 March 2020	Year ended 31 March 2019
	Rs.	Rs.
Non-current borrowings		
Current borrowings	45,528,943	43,143,690
Current maturity of long term debt	21,464,025	45,183,261
Gross Debt	66,992,968	88,326,951
Less - Cash and Cash Equivalents	20,833,759	5,514,309
Less - Other Bank Deposits	-	-
Adjusted Net Debt	46,159,210	82,812,642
Total Equity	469,665,733	408,105,635
Adjusted Net Debt to Equity Ratio	0.10	0.20

JC Biotech Private Limited

Notes to the Financial Statements
For the year ended 31 March 2020

Note 43

Income Taxes

Tax Expense

(a) Amounts recognised in Profit and Loss

	Year ended March 31, 2020	Year ended March 31, 2019
Current Income Tax	18,856,752	35,114,714
Changes in estimates related to prior period	(2,640,461)	840,875
	16,216,291	35,955,589
MAT Credit Entitlement	-	-
Deferred Tax Expense	3,707,659	12,226,259
Tax Expense for the year	19,923,950	48,181,848

(b) Amounts recognised in other Comprehensive Income

	Year ended March 31, 2020			Year ended March 31, 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense)	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	1,032,578	(287,263)	745,315	(2,344,068)	682,593	(1,661,475)
	1,032,578	(287,263)	745,315	(2,344,068)	682,593	(1,661,475)

(c) Reconciliation of Effective Tax Rate

	Year ended 31, 2020	March March 31, 2019
Profit Before Tax	80,629,363	146,429,927
Tax using the Company's domestic tax rate (March 31, 2020 : 27.82% March 31, 2019 : 29.12%)	22,431,089	42,640,395
Tax effect of:		
Incremental deduction allowed for research and development costs	(656,108)	(586,485)
Permanent differences	678,455	932,104
Prior period tax	(2,640,461)	840,875
Others	110,975	4,354,762
Tax Expense as per Profit or Loss	19,923,950	48,181,651

JC Biotech Private Limited

Notes to the Financial Statements
For the year ended 31 March 2020

Income Taxes (continued) 43

(d) Movement in Deferred Tax Balances

31-Mar-20							
	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred Tax Asset							
Property, plant and equipment	(44,026,607)	(3,657,232)	-	-	(47,683,838)	-	(47,683,838)
Employee benefits	(278,625)	(445,757)	-	-	(724,381)	(724,381)	-
Other items	(682,593)	-	682,593	-	-	287,263	-
MAT Credit	25,044,454	-	-	(2,277,135)	22,767,319	22,767,319	-
Tax assets (Liabilities)	(19,943,370)	(4,102,988)	682,593	(2,277,135)	(25,640,901)	22,330,201	(47,683,838)
Set off tax							22,330,201
Net tax	(19,943,370)	(4,102,988)	682,593	(2,277,135)	(25,640,901)	22,330,201	(25,353,638)
31-Mar-19							
	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred Tax Asset							-
Property, plant and equipment	(40,082,470)	(3,944,137)	-	-	(44,026,607)	-	(44,026,607)
Unused tax losses	6,064,161	(6,064,161)	-	-	-	-	-
Employee benefits	667,689	(946,313)	-	-	(278,625)	(278,625)	-
Provision for Bad & Doubtful debts	234,886	(234,886)	-	-	-	-	-
Other items	1,036,762	-	(1,719,355)	-	(682,593)	(682,593)	-
MAT Credit	28,765,598	-	-	(3,721,144)	25,044,454	25,044,454	-
Tax assets (Liabilities)	(3,313,374)	(11,189,498)	(1,719,355)	(3,721,144)	(19,943,370)	24,083,237	(44,026,607)
Set off tax							24,083,237
Net tax	(3,313,374)	(11,189,498)	(1,719,355)	(3,721,144)	(19,943,370)	24,083,237	(19,943,370)

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

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

During the year, the Company has utilised tax credits in respect of Minimum Alternative Tax (MAT credit) of Rs. 50,46,341/- (previous year utilisation was Rs. 40,58,468 of which the Company had reversed an amount of Rs. 29,48,606) . The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

JC Biotech Private Limited

Notes to the Financial Statements

For the year ended 31 March 2020

Note 44

Financial Instruments

1. Financial Instruments – Fair values and Risk Management

A. Accounting Classification and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below . It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value

March 31, 2020 INR	Note No.	FVTPL	Carrying Amount			Fair value			Total
			FVTOCI	Amortised Cost	Total	Quoted prices in	Significant observable	Significant unobservabl	
Financial Assets									
Loans - Non current	5	-	-	9,175,197	9,175,197	-	-	-	-
Trade receivables	8	-	-	53,706,084	53,706,084	-	-	-	-
Cash and cash equivalents	9	-	-	20,833,759	20,833,759	-	-	-	-
Others	10	-	-	11,980,197	11,980,197	-	-	-	-
		-	-	95,695,236	95,695,236	-	-	-	-
Financial Liabilities									
Borrowings - Non current	15	-	-	16,272,687	16,272,687	-	-	-	-
Borrowings - current	18	-	-	45,528,943	45,528,943	-	-	-	-
Trade payables	19	-	-	9,385,284	9,385,284	-	-	-	-
Other financial Liabilities	20	-	-	29,638,981	29,644,039	-	-	-	-
		-	-	100,825,895	100,830,953	-	-	-	-

March 31, 2019 INR	Note No.	FVTPL	Carrying Amount			Fair value			Total
			FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservabl e inputs (Level 3)	
Financial Assets									
Investments			-	-	-	-	-	-	-
Loans - Non current	5		-	8,723,697	8,723,697	-	-	-	-
Trade receivables	8		-	87,793,537	87,793,537	-	-	-	-
Cash and cash equivalents	9		-	5,514,309	5,514,309	-	-	-	-
Others	10		-	11,962,962	11,962,962	-	-	-	-
			-	-	113,994,505	113,994,505	-	-	-
Financial Liabilities									
Borrowings - Non current	15		-	-	38,807,579	38,807,579	-	-	-
Borrowings - current	18		-	-	43,143,690	43,143,690	-	-	-
Trade payables	19		-	-	12,299,447	12,299,447	-	-	-
Other financial Liabilities	20		-	-	52,038,734	52,038,734	-	-	-
			-	-	146,289,450	146,289,450	-	-	-

B. Financial Risk Management

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

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

i. Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors in the has constituted a Risk Management Committee which shall be responsible for developing and monitoring the Company's risk management policies. The committee shall report regularly to the board of directors on its activities.

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

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

JC Biotech Private Limited

Note continued 44 to the Financial Statements For the year ended 31 March 2020

Financial Instruments – Fair values and Risk Management (continued)

ii. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and Other Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

At March 31, 2020, the Company's most significant customer (AETL) accounted for INR 42,35,17,225 of the trade and other receivables carrying amount (March 31, 2019 : Rs. 48,86,57,400).

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	31-Mar-20		
	Carrying Amount	Weighted Average	Loss Allowance
0-90 days	53706084	0.00%	-
More than 360 days	-	0.00%	-
	53706084		0

	31-Mar-19		
	Carrying Amount	Weighted Average	Loss Allowance
0-90 days	87793537	0.00%	-
More than 360 days	857405	99.43%	852505
	88646042		852505

Cash and cash equivalents

The Company held cash and cash equivalents of INR 2,08,33,759 at March 31, 2020 (March 31, 2019: INR 55,14,309). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Other bank balances

The derivatives are entered into with bank and financial institution counterparties with good credit ratings.

Derivatives

The derivatives are entered into with bank and financial institution counterparties with good credit ratings.

JC Biotech Private Limited

Note continued 44 to the Financial Statements For the year ended 31 March 2020

Financial instruments – Fair values and Risk Management (continued)

iii. Liquidity Risk

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

The Company has obtained fund and non-fund based working capital loan from bank. The borrowed funds are generally applied for company's own operational activities.

Exposure to Liquidity Risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted :

March 31, 2020	Contractual Cash Flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Long term borrowings	16,272,687	16,272,687	-	16,272,687	-	-
Interest on borrowings	36,025	36,025	36,025	-	-	-
Short term borrowings	45,528,943	45,528,943	45,528,943	-	-	-
Trade payable	9,385,284	9,385,284	9,385,284	-	-	-
Other financial liabilities	29,602,956	29,602,956	29,602,956	-	-	-
Issued Letter of Comfort to bankers of subsidiary	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-

Contractual Cash Flows

March 31, 2019	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Long term borrowings	38,773,982	38,773,982	-	36,549,982	2,224,000	-
Interest on borrowings	428,858	880,647	880,647	-	-	-
Short term borrowings	43,143,690	43,143,690	43,143,690	-	-	-
Trade payable	12,299,447	12,299,447	12,299,447	-	-	-
Other financial liabilities	51,643,473	51,643,473	51,643,473	-	-	-
Issued Letter of Comfort to bankers of subsidiary	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-

JC Biotech Private Limited

Note continued 44 to the Financial Statements For the year ended 31 March 2020

Financial Instruments – Fair Values and Risk Management (continued)

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. The company's exposure to the risk of changes in the market interest rate relates primarily to the company's long term debt obligations with floating interest rates.

The company's interest rate exposure is mainly related to variable interest rates debt obligations. The company manages the liquidity and fund requirements for its day to day operations like working capital, suppliers/buyers credit.

Exposure to Interest Rate Risk

Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	31-03-2020	31-03-2019
Fixed-Rate Instruments		
Financial Liabilities - measured at amortised cost		
Term Loan	-	-
Working capital demand loan	-	-
Term loan from SBIRI	8,896,000	13,344,000
Loans from NBFC	-	-
Buyers credit - SBI Global Factors	-	-
Loans from Directors, other related parties and associate companies	-	-

Fixed-Rate Instruments**Financial Liabilities - measured at
amortised cost**

Term loan from banks	28,804,687	70,217,982
From banks in foreign currency	-	-
From banks in rupees	45,528,943	43,143,690
Total	83,229,630	126,705,672

**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 risk estimates provided assume a change of 25 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date assuming that all other variables, in particular foreign currency exchange rates, remain constant.. The period end balances are not necessarily representative of the average debt outstanding during the period.

Cash Flow Sensitivity (Net)

	Profit or loss	
	25 bp increase	25 bp decrease
31-Mar-20		
Variable-rate loan instruments	(208,074)	208,074
Cash Flow Sensitivity (Net)	(208,074)	208,074
31-Mar-19		
Variable-rate loan instruments	(283,404)	283,404
Cash Flow Sensitivity (Net)	(283,404)	283,404

JC Biotech Private Limited

Note continued 44 to the Financial Statements For the year ended 31 March 2020

Financial Instruments – Fair Values and Risk Management (continued)

iv. Market Risk

Market risk is the possibility of losses that may be incurred by the company due to factors that affect the overall performance of the company – such as foreign exchange rates, interest rates, recessions etc..Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily due to the fluctuations in the rate of interest for borrowings from banks, recession in the market, foreign exchange rate fluctuation etc. The risk management committee proposed to be constituted with the approval of the board in its ensuing meeting and shall be

Currency Risk

The company deals in domestic market in the functional currency and does not have any exposure in foreign currency in operating

JC Biotech Private Limited

**Notes to the Financial Statements
For the year ended 31 March 2020**

Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note: Figures of the Previous year are regrouped / reclassified wherever considered necessary and rounded off of the nearest rupee.