

BIOCON PHARMA INC.

BALANCE SHEET AS AT MARCH 31, 2021

(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)

	<u>Note</u>	<u>March 31, 2021</u>	<u>March 31, 2020</u>
ASSETS			
Non-current assets			
Property, plant and equipment	3	63,495	108,019
Capital work in progress	3	54,191	-
Intangible assets	4	1,107,038	450,981
Intangible asset under development	4	866,475	-
Right-of-use assets	5	121,597	212,785
Financial assets			
(i) Loans	6	-	6,656,448
(ii) Other financial assets	7	14,083	14,083
Income-tax assets (net)		377,551	18,186
Total non-current assets		<u>2,604,430</u>	<u>7,460,502</u>
Current assets			
Inventories	8	17,699,925	12,223,074
Financial assets			
(i) Trade receivables	9	12,627,125	16,137,988
(ii) Cash and cash equivalents	10	4,913,661	5,379,011
(ii) Other financial assets	7	297,205	92,650
Other current assets	11	2,173,019	132,782
Total current assets		<u>37,710,935</u>	<u>33,965,505</u>
TOTAL		<u>40,315,365</u>	<u>41,426,007</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	1,400,000	1,400,000
Preference share capital	12(b)	16,900,000	12,000,000
Other equity		2,558,443	(751,371)
Total equity		<u>20,858,443</u>	<u>12,648,629</u>
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	10,000,000	5,000,000
(ii) Lease liabilities		29,741	126,301
		<u>10,029,741</u>	<u>5,126,301</u>
Current liabilities			
Financial liability			
(i) Borrowings	13	-	5,000,000
(ii) Trade payables	14	9,214,242	18,434,134
(iii) Lease liabilities		105,764	103,736
(iv) Other financial liabilities	15	21,634	81,607
Other liabilities	16	85,541	31,600
Total current liabilities		<u>9,427,181</u>	<u>23,651,077</u>
TOTAL		<u>40,315,365</u>	<u>41,426,007</u>

The accompanying notes are an integral part of the financial statements.

BIOCON PHARMA INC.**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021****(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)**

	<u>Note</u>	<u>Year ended</u> <u>March 31, 2021</u>	<u>Year ended</u> <u>March 31, 2020</u>
Income			
Revenue from operations	17	59,213,331	54,990,550
Other income	18	234,901	92,650
Total income		59,448,232	55,083,200
Expenses			
Purchases of traded goods		47,871,876	42,879,627
Changes in inventories of traded goods	19	(5,476,851)	(5,567,245)
Employee benefits expense	20	1,798,866	1,514,441
Finance Costs	21	294,675	152,129
Depreciation and amortisation expense	22	279,654	264,366
Other expenses	23	10,348,915	12,000,516
Total expenses		55,117,135	51,243,834
Profit before Tax		4,331,097	3,839,366
Tax expense			
Current tax		1,021,283	-
Profit for the year		3,309,814	3,839,366

The accompanying notes are an integral part of the financial statements.

BIOCON PHARMA INC.**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)

A. Equity share capital

	March 31, 2021	March 31, 2020
Opening balance	1,400,000	1,400,000
Closing balance	1,400,000	1,400,000

B. Preference share capital

	March 31, 2021	March 31, 2020
Opening balance	12,000,000	7,000,000
Share issued during the year	4,900,000	5,000,000
Closing balance	16,900,000	12,000,000

C. Other equity

Particulars	Retained earnings	Share application money pending allotment	Total other equity
Balance as at April 01, 2019	(4,575,726)	5,000,000	424,274
Application money received / (transferred) during the year	-	(5,000,000)	(5,000,000)
Profit for the year	3,839,366	-	3,839,366
Adjustment pursuant to adoption of Ind AS 116	(15,011)	-	(15,011)
Balance as at March 31, 2020	(751,371)	-	(751,371)
Profit for the year	3,309,814	-	3,309,814
Balance as at March 31, 2021	2,558,443	-	2,558,443

The accompanying notes are an integral part of the financial statements.

BIOCON PHARMA INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)

	March 31, 2021	Year ended March 31, 2020
I Cash flows from operating activities		
Profit for the year	4,331,097	3,839,366
<u>Adjustments to reconcile profit before tax to net cash flows</u>		
Depreciation and amortisation expense	279,654	264,366
Interest expense	294,675	152,129
Interest Income	(234,901)	(92,650)
Operating profit before working capital changes	<u>4,670,525</u>	<u>4,163,211</u>
Movements in working capital		
Decrease/(increase) in inventories	(5,476,851)	(5,567,245)
Decrease/(increase) in other assets	1,482,532	(6,553,656)
(Decrease)/increase in trade payable, other liabilities and provisions	(9,147,511)	6,648,444
Direct taxes paid (net of refunds)	(1,380,648)	(18,186)
Net cash used in operating activities	<u><u>(9,851,953)</u></u>	<u><u>(1,327,432)</u></u>
II Cash flows from investing activities		
Purchase of intangible assets	(1,720,665)	-
	<u><u>(1,720,665)</u></u>	<u><u>-</u></u>
III Cash flows from financing activities		
Proceeds from issuance of Preference share capital	4,900,000	-
Loan to fellow subsidiaries	6,656,448	-6,656,448
Proceeds from long-term borrowings	5,000,000	5,000,000
Proceeds from short-term borrowings	(5,000,000)	5,000,000
Repayment of Lease liabilities, net	(103,736)	-86,701
Interest paid	(345,444)	(57,762)
Net cash flow from/ (used in) financing activities	<u><u>11,107,268</u></u>	<u><u>3,199,089</u></u>
III Net increase in cash and cash equivalents (I + II)	(465,350)	1,871,657
IV Effect of exchange differences on cash and cash equivalents held in foreign currency	-	-
V Cash and cash equivalents at the beginning of the year	5,379,011	3,507,354
VI Cash and cash equivalents at the end of the year (III+ IV + V)	<u><u>4,913,661</u></u>	<u><u>5,379,011</u></u>
Components of cash and cash equivalents		
Balances with banks - on current accounts	4,913,661	5,379,011
Total cash and cash equivalents [refer note 5]	<u><u>4,913,661</u></u>	<u><u>5,379,011</u></u>

The accompanying notes are an integral part of the financial statements.

BIOCON PHARMA INC.

Notes to financials statements for the year ended March 31, 2021

(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)

3. Property, plant and equipment

	Furniture and fixture	Computers	Office equipment	Leasehold improvements	Total	Capital work in progress
Gross carrying amount						
At April 01, 2019	63,591	53,219	8,027	27,440	152,277	-
Additions	-	-	39,045	-	39,045	-
Disposal / transfers	-	-	-	-	-	-
At March 31, 2020	63,591	53,219	47,072	27,440	191,322	-
Additions	-	-	-	-	-	54,191
Disposal / transfers	-	-	-	-	-	-
At March 31, 2021	63,591	53,219	47,072	27,440	191,322	54,191
Accumulated amortisation						
At April 01, 2019	(10,628)	(17,748)	(6,916)	(3,439)	(38,731)	-
Depreciation for the year	(10,599)	(17,700)	(9,414)	(6,860)	(44,573)	-
At March 31, 2020	(21,227)	(35,448)	(16,330)	(10,299)	(83,304)	-
Depreciation for the year	(10,598)	(17,651)	(9,414)	(6,860)	(44,523)	-
At March 31, 2021	(31,825)	(53,099)	(25,744)	(17,159)	(127,827)	-
Net carrying amount						
At March 31, 2020	42,364	17,771	30,742	17,141	108,018	-
At March 31, 2021	31,766	120	21,328	10,281	63,495	54,191

4. Intangible assets

	Marketing rights	Intangible under development
Gross carrying amount		
At March 31, 2019	-	-
Additions	643,000	-
At March 31, 2020	643,000	-
Additions	800,000	866,475
At March 31, 2021	1,443,000	866,475
Accumulated amortisation		
At March 31, 2019	(63,418)	-
Amortisation for the year	(128,601)	-
At March 31, 2020	(192,019)	-
Amortisation for the year	(143,943)	-
At March 31, 2021	(335,962)	-
Net carrying amount		
At March 31, 2020	450,981	-
At March 31, 2021	1,107,038	866,475

5. Right-of-use-assets

	Amount
Gross carrying amount	
At March 31, 2020	303,978
Additions	-
At March 31, 2021	303,978
Accumulated amortisation	
At March 31, 2020	(91,193)
additions	-
Amortisation for the year	(91,188)
At March 31, 2021	(182,381)
Net carrying amount	
At March 31, 2020	212,785
At March 31, 2021	121,597

BIOCON PHARMA INC.

Notes to financial statements for the year ended March 31, 2021

(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)

	March 31, 2021	March 31, 2020
6. Loans		
(a) Non-current		
Loans to related Parties	-	6,656,448
	<u>-</u>	<u>6,656,448</u>
7. Other financial assets		
(a) Non-current		
Deposits	14,083	14,083
	<u>14,083</u>	<u>14,083</u>
(b) Current		
Interest accrued	310,369	92,650
	<u>297,205</u>	<u>92,650</u>
8. Inventories		
Traded goods	17,699,925	12,223,074
	<u>17,699,925</u>	<u>12,223,074</u>
9. Trade receivables		
Unsecured, considered good	12,627,125	16,137,988
	<u>12,627,125</u>	<u>16,137,988</u>
10. Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
On current accounts	4,913,661	5,379,011
Total cash and cash equivalents	<u>4,913,661</u>	<u>5,379,011</u>
11. Other current assets		
Prepayments	140,758	82,360
Advance to suppliers	2,032,261	50,422
	<u>2,173,019</u>	<u>132,782</u>

	<u>March 31, 2021</u>	<u>March 31, 2020</u>
12(a). Share capital		
Authorised share capital		
500,000 shares of common stock (March 31, 2020 - 500,000) of USD 10 each	5,000,000	5,000,000
Issued, subscribed and fully paid-up		
140,000 (March 31, 2020 - 140,000) equity shares of USD 10 each	1,400,000	1,400,000
16,900,000 (March 31, 2020 - 12,00,000) preference shares of USD 10 each	<u>16,900,000</u>	<u>12,000,000</u>
	<u>18,300,000</u>	<u>13,400,000</u>

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	<u>March 31, 2021</u>		<u>March 31, 2020</u>	
	<u>No.</u>	<u>USD</u>	<u>No.</u>	<u>USD</u>
At the beginning of the year	140,000	1,400,000	140,000	1,400,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>140,000</u>	<u>1,400,000</u>	<u>140,000</u>	<u>1,400,000</u>
Preference shares	<u>March 31, 2021</u>		<u>March 31, 2020</u>	
	<u>No.</u>	<u>USD</u>	<u>No.</u>	<u>USD</u>
At the beginning of the year	1,200,000	12,000,000	700,000	7,000,000
Issued during the year	490,000	4,900,000	500,000	5,000,000
Outstanding at the end of the year	<u>1,690,000</u>	<u>16,900,000</u>	<u>1,200,000</u>	<u>12,000,000</u>

(ii) Terms/ rights attached to shares

Equity shares are at a par value of USD 10 per share. Each holder of equity shares is entitled to one vote per share.

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

Optionally convertible redeemable cumulative preference shares (OCRPS) are at a par value of USD 10 per share. Each holder of OCRPS is entitled to one vote per share on all matters pertaining to the rights of OCRPS holders.

(iii) Details of shareholders holding more than 5% shares in the Company

	<u>March 31, 2021</u>		<u>March 31, 2020</u>	
	<u>No.</u>	<u>% holding</u>	<u>No.</u>	<u>% holding</u>
Equity shares of Rs 10 each fully paid				
Biocon Pharma Limited, the holding company (including shares held through nominees)				
Equity shares of USD 10 each fully paid up	140,000	100%	140,000	100%
Convertible preferred stock of USD 10 each fully paid				
Biocon Pharma Limited, the holding company (including shares held through nominees)				
Preferred Stock of USD 10 each fully paid up	1,690,000	100%	1,200,000	100%

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

12(b). Other equity

Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders.

	<u>March 31, 2021</u>	<u>March 31, 2020</u>
13. Borrowings		
(a) Non-Current		
Loan from holding Company	-	5,000,000
Loan from related parties	<u>10,000,000</u>	<u>-</u>
	<u>10,000,000</u>	<u>5,000,000</u>
(b) Current		
Cash credit	-	5,000,000
	<u>-</u>	<u>5,000,000</u>
14. Trade payables		
Trade payables	<u>9,214,242</u>	<u>18,434,134</u>
	<u>9,214,242</u>	<u>18,434,134</u>
15. Other financial liabilities		
(a) Current		
Interest accrued but not due	<u>21,634</u>	<u>81,607</u>
	<u>21,634</u>	<u>81,607</u>
16. Other liabilities		
(a) Current		
Statutory dues	<u>85,541</u>	<u>31,600</u>
	<u>85,541</u>	<u>31,600</u>

BIOCON PHARMA INC.

Notes to financials statements for the year ended March 31, 2021

(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
<u>17. Revenue from operations</u>		
Sale of products		
Traded goods	59,213,331	54,990,550
Revenue from operations	59,213,331	54,990,550
<u>18. Other income</u>		
Interest on Loan to Group Company	234,901	92,650
	234,901	92,650
<u>19. (Increase)/ Decrease in inventories of traded goods</u>		
Inventory at the beginning of the year		
Traded goods	12,223,074	6,655,829
	12,223,074	6,655,829
Inventory at the end of the year		
Traded goods	17,699,925	12,223,074
	17,699,925	12,223,074
(Increase)/ decrease in inventories	(5,476,851)	(5,567,245)
<u>20. Employee benefits expense</u>		
Salaries, wages and bonus	1,675,585	1,471,057
Share based payment expense	68,733	1,800
Staff welfare expenses	54,548	41,584
	1,798,866	1,514,441
<u>21. Finance cost</u>		
Interest on		
Loan	202,234	58,333.00
Cash Credit	83,237	81,036.00
Lease liabilities	9,204	12,760.00
	294,675	152,129
<u>22. Depreciation and amortisation expenses</u>		
Depreciation of tangible assets	44,523	44,573
Amortisation of intangible assets	143,943	128,600
Amortisation of right-of-use-assets	91,188	91,193
	279,654	264,366
<u>23. Other expenses</u>		
Communication expenses	49	11
Travelling and conveyance	-	165,492
Professional charges	646,140	1,245,385
Insurance	146,983	119,659
Rates, taxes and fees	49,012	3,175
Repairs and maintenance		
Plant and machinery	16,586	14,933
Building	-	2,211
Others	12,559	16,115
Research & development expenses	719,693	201,000
Selling expenses		
Freight outwards and clearing charges	2,445,320	1,767,029
Sales promotion expenses	6,250,224	8,416,487
Printing and stationery	1,734	3,646
Foreign exchange fluctuation, net	1,251	-
Miscellaneous expenses	59,364	45,373
	10,348,915	12,000,516