

**BIOCON PHARMA INC.**

**BALANCE SHEET AS AT MARCH 31, 2020**

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

	<u>Note</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	108,019	152,591
Other intangible assets	4	450,981	579,582
Right-of-use assets	5	212,785	-
Financial assets			
(i) Loans	6	6,656,448	-
(ii) Other financial assets	7(a)	14,083	14,083
Income-tax assets (net)		18,186	-
<b>Total non-current assets</b>		<b><u>7,460,502</u></b>	<b><u>746,256</u></b>
<b>Current assets</b>			
Inventories	8	12,223,074	6,655,829
Financial assets			
(i) Trade receivables	9	16,137,988	9,715,850
(ii) Cash and cash equivalents	10	5,379,011	3,507,354
(ii) Other financial assets	7(b)	92,650	-
Other current assets	11	132,782	1,264
<b>Total current assets</b>		<b><u>33,965,505</u></b>	<b><u>19,880,297</u></b>
<b>TOTAL</b>		<b><u><u>41,426,007</u></u></b>	<b><u><u>20,626,553</u></u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12(a)	1,400,000	1,400,000
Preference share capital	12(b)	12,000,000	7,000,000
Other equity		(751,371)	424,274
<b>Total equity</b>		<b><u>12,648,629</u></b>	<b><u>8,824,274</u></b>
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	13(a)	5,000,000	-
(ii) Lease Liabilities		126,301	-
		<b><u>5,126,301</u></b>	<b><u>-</u></b>
<b>Current liabilities</b>			
Financial liability			
(i) Borrowings	13(b)	5,000,000	-
(ii) Trade payables	14	18,434,134	11,778,891
(iii) Lease Liabilities		103,736	-
(iv) Other financial liabilities	15	81,607	-
Other Liabilities	16	31,600	23,388
<b>Total current liabilities</b>		<b><u>23,651,077</u></b>	<b><u>11,802,279</u></b>
<b>TOTAL</b>		<b><u><u>41,426,007</u></u></b>	<b><u><u>20,626,553</u></u></b>

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, 2020****(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)**

	<u>Note</u>	<u>Year ended March 31, 2020</u>	<u>Year ended March 31, 2019</u>
<b>Income</b>			
Revenue from operations	17	54,990,550	22,320,321
Other income	18	92,650	-
		<b>55,083,200</b>	<b>22,320,321</b>
<b>Expenses</b>			
Purchases of traded goods		42,879,627	22,355,653
(Increase)/ Decrease in inventories of traded goods	19	(5,567,245)	(5,034,219)
Employee benefits expense	20	1,514,441	1,152,595
Finance Costs	21	152,129	-
Depreciation and amortisation expense	22	264,366	102,068
Other expenses	23	12,000,516	3,457,563
<b>Total expenses</b>		<b>51,243,834</b>	<b>22,033,660</b>
<b>Profit / (Loss) for the year</b>		<b>3,839,366</b>	<b>286,661</b>
<b>Earnings per share</b>			
Basic and diluted (in USD)	25	<b>27</b>	<b>2</b>

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, 2020**

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

**A. Equity share capital**

	March 31, 2020	March 31, 2019
Opening balance	1,400,000	1,400,000
<b>Closing balance</b>	<b>1,400,000</b>	<b>1,400,000</b>

**B. Preference share capital**

	March 31, 2020	March 31, 2019
Opening balance	7,000,000	2,000,000
Issue of share capital during the year	5,000,000	5,000,000
<b>Closing balance</b>	<b>12,000,000</b>	<b>7,000,000</b>

**C. Other equity**

Particulars	Retained earnings	Share application money pending allotment	Total other equity
<b>Balance as at April 01, 2018</b>	<b>(4,862,387)</b>	<b>5,000,000</b>	<b>137,613</b>
Application money received / (transferred) during the year	-	-	-
Profit for the year	286,661	-	286,661
<b>Balance as at March 31, 2019</b>	<b>(4,575,726)</b>	<b>5,000,000</b>	<b>424,274</b>
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)
<b>Balance as at March 31, 2020</b>	<b>(751,371)</b>	<b>-</b>	<b>(751,371)</b>

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

**BIOCON PHARMA INC.**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020**

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

	Year ended March 31, 2020	Year ended March 31, 2019
<b>I Cash flows from operating activities</b>		
Profit for the year	3,839,366	286,661
<u>Adjustments to reconcile profit before tax to net cash flows</u>		
Depreciation and amortisation expense	264,366	102,068
Interest expense	152,129	-
Interest Income	(92,650)	
Operating profit / (loss) before working capital changes	<u>4,163,211</u>	<u>388,729</u>
<b>Movements in working capital</b>		
Decrease/(increase) in inventories	(5,567,245)	(5,034,219)
Decrease/(increase) in other assets	(6,553,656)	(8,419,128)
(Decrease)/increase in trade payable, other liabilities and provisions	6,648,444	8,236,956
Direct taxes paid (net of refunds)	(18,186)	
<b>Net cash used in operating activities</b>	<u>(1,327,432)</u>	<u>(4,827,662)</u>
<b>II Cash flows from investing activities</b>		
Purchase of fixed assets	-	(657,047)
	<u>-</u>	<u>(657,047)</u>
<b>III Cash flows from financing activities</b>		
Proceeds from issuance of share capital	-	5,000,000
Advances to Associates	(6,656,448)	-
Proceeds from long-term borrowings	5,000,000	
Proceeds/(repayment) from short-term borrowings	5,000,000	(626,425)
Repayment of Lease liabilities, net	(86,701)	
Interest paid	(57,762)	-
<b>Net cash flow from financing activities</b>	<u>3,199,089</u>	<u>4,373,575</u>
<b>IV Net increase in cash and cash equivalents (I + II+III)</b>	<b>1,871,657</b>	<b>(1,111,134)</b>
<b>V Effect of exchange differences on cash and cash equivalents held in foreign currency</b>	-	
<b>VI Cash and cash equivalents at the beginning of the year</b>	3,507,354	4,618,488
<b>VII Cash and cash equivalents at the end of the year (IV + V+VI)</b>	<u>5,379,011</u>	<u>3,507,354</u>
<b>Components of cash and cash equivalents</b>		
Balances with banks - on current accounts	5,379,011	3,507,354
<b>Total cash and cash equivalents [refer note 10]</b>	<u>5,379,011</u>	<u>3,507,354</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, 2020

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

**3. Tangible assets**

	Furniture and fixture	Computers	Office equipment	Leasehold improvements	Total	Capital work in progress
<b>Gross carrying amount</b>						
<b>At April 01, 2018</b>	63,591	53,219	8,027	-	124,837	52,440
Additions	-	-	39,045	27,440	66,485	-
Disposal / transfers	-	-	-	-	-	(52,440)
<b>At March 31, 2019</b>	<b>63,591</b>	<b>53,219</b>	<b>47,072</b>	<b>27,440</b>	<b>191,322</b>	-
Additions	-	-	-	-	-	-
Disposal / transfers	-	-	-	-	-	-
<b>At March 31, 2020</b>	<b>63,591</b>	<b>53,219</b>	<b>47,072</b>	<b>27,440</b>	<b>191,322</b>	-
<b>Accumulated depreciation</b>						
<b>At April 01, 2018</b>	(29)	(48)	(4)	-	(82)	-
Depreciation for the year	(10,599)	(17,700)	(6,912)	(3,439)	(38,649)	-
<b>At March 31, 2019</b>	<b>(10,628)</b>	<b>(17,748)</b>	<b>(6,916)</b>	<b>(3,439)</b>	<b>(38,731)</b>	-
Depreciation for the year	(10,598)	(17,700)	(9,414)	(6,860)	(44,572)	-
<b>At March 31, 2020</b>	<b>(21,226)</b>	<b>(35,448)</b>	<b>(16,330)</b>	<b>(10,299)</b>	<b>(83,303)</b>	-
<b>Net carrying amount</b>						
<b>At March 31, 2019</b>	<b>52,963</b>	<b>35,471</b>	<b>40,156</b>	<b>24,001</b>	<b>152,591</b>	-
<b>At March 31, 2020</b>	<b>42,365</b>	<b>17,771</b>	<b>30,742</b>	<b>17,141</b>	<b>108,019</b>	-

**4. Intangible assets**

	Marketing rights
<b>Gross carrying amount</b>	
<b>At April 01, 2018</b>	-
Additions	643,000
<b>At March 31, 2019</b>	<b>643,000</b>
Additions	-
<b>At March 31, 2020</b>	<b>643,000</b>
<b>Accumulated amortisation</b>	
<b>At April 01, 2018</b>	-
Amortisation for the year	(63,418)
<b>At March 31, 2019</b>	<b>(63,418)</b>
Amortisation for the year	(128,601)
<b>At March 31, 2020</b>	<b>(192,019)</b>
<b>Net carrying amount</b>	
<b>At March 31, 2019</b>	<b>579,582</b>
<b>At March 31, 2020</b>	<b>450,981</b>

**5. Right-of-use assets**

	Amount
<b>Gross carrying amount</b>	
<b>At April 01, 2019</b>	-
Adjustment pursuant to adoption of IndAS 116	303,978
<b>At March 31, 2020</b>	<b>303,978</b>
<b>Accumulated amortisation</b>	
<b>At April 01, 2019</b>	-
Adjustment pursuant to adoption of IndAS 116	(15,011)
Amortisation for the year	(76,182)
<b>At March 31, 2020</b>	<b>(91,193)</b>
<b>Net carrying amount</b>	
<b>At April 01, 2019</b>	-
<b>At March 31, 2020</b>	<b>212,785</b>

**BIOCON PHARMA INC.**

Notes to financial statements for the year ended March 31, 2020

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

**6. Loans****(a) Non-current**

Loans to Related Parties

March 31, 2020	March 31, 2019
6,656,448	-
<u>6,656,448</u>	<u>-</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

92,650	-
<u>92,650</u>	<u>-</u>

**8. Inventories**

Traded goods

12,223,074	6,655,829
<u>12,223,074</u>	<u>6,655,829</u>

**9. Trade receivables**

Unsecured, considered good

16,137,988	9,715,850
<u>16,137,988</u>	<u>9,715,850</u>

**10. Cash and bank balances****Cash and cash equivalents**

Balances with banks:

On current accounts

5,379,011	3,507,354
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**Total cash and cash equivalents**

<u>5,379,011</u>	<u>3,507,354</u>
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**11. Other current assets**

Prepayments

Advance to suppliers

82,360	-
50,422	1,264
<u>132,782</u>	<u>1,264</u>

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**March 31, 2020**      **March 31, 2019**

**12(a). Share capital**

**Authorized share capital**

500,000 common stock (March 31, 2019 - 500,000) of USD 10 each	5,000,000	5,000,000
1,700,000 convertible preferred stock (March 31, 2019 - 1,700,000) of USD 10 each	17,000,000	17,000,000
	<b>22,000,000</b>	<b>22,000,000</b>

**Issued, subscribed and fully paid-up**

140,000 (March 31, 2019 - 140,000) common stock of USD 10 each	1,400,000	1,400,000
1,200,000 (March 31, 2019 - 700,000) convertible preferred stock of USD 10 each	12,000,000	7,000,000
	<b>13,400,000</b>	<b>8,400,000</b>

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

**Equity Share Capital**

	March 31, 2020		March 31, 2019	
	No.	USD	No.	USD
At the beginning of the year	140,000	1,400,000	140,000	1,400,000
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>140,000</b>	<b>1,400,000</b>	<b>140,000</b>	<b>1,400,000</b>

**Preference Share Capital**

	March 31, 2020		March 31, 2019	
	No.	USD	No.	USD
At the beginning of the year	700,000	7,000,000	200,000	2,000,000
Issued during the year	500,000	5,000,000	500,000	5,000,000
<b>Outstanding at the end of the year</b>	<b>1,200,000</b>	<b>12,000,000</b>	<b>700,000</b>	<b>7,000,000</b>

**(ii) Terms/ rights attached to shares**

Common stock are at a par value of USD 10 per share. Each holder of common stock is entitled to one vote per share.

In the event of liquidation of the Company, the holders of common stock 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 common stock held by the shareholders.

Convertible preferred stock are at a par value of USD 10 per share. Each holder of convertible preferred stock is entitled to one vote per share on all matters pertaining to the rights of stock holders.

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

	March 31, 2020		March 31, 2019	
	No.	% holding	No.	% holding
<b>Common Stock of USD 10 each fully paid</b>				
Biocon Pharma Limited, the holding company (including shares held through nominees)				
Common Stock of USD 10 each fully paid up	140,000	100%	140,000	100%
<b>Convertible preferred stock of USD 10 each fully paid</b>				
Biocon Pharma Limited, the holding company (including shares held through nominees)				
Common Stock of USD 10 each fully paid up	1,200,000	100%	700,000	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.

**13. Borrowings**

**(a) Non-Current**

Loan from Holding Company	5,000,000	-
	<b>5,000,000</b>	<b>-</b>

**(b) Current**

Cash credit	5,000,000	-
	<b>5,000,000</b>	<b>-</b>

**14. Trade payables**

Trade payables	18,434,134	11,778,891
	<b>18,434,134</b>	<b>11,778,891</b>

**15. Other financial liabilities**

**(a) Current**

Interest accrued but not due	81,607	-
	<b>81,607</b>	<b>-</b>

**16. Other liabilities**

**(a) Current**

Statutory dues	31,600	23,388
	<b>31,600</b>	<b>23,388</b>

**BIOCON PHARMA INC.**

**Notes to financials statements for the year ended March 31, 2020**

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

	Year ended March 31, 2020	Year ended March 31, 2019
<b><u>17. Revenue from operations</u></b>		
Sale of products		
Traded goods	54,990,550	22,320,321
<b>Revenue from operations</b>	<b>54,990,550</b>	<b>22,320,321</b>
<b><u>18. Other income</u></b>		
Interest income on Loan to subsidiary	92,650	-
	<b>92,650</b>	<b>-</b>
<b><u>19. (Increase)/ Decrease in inventories of traded goods</u></b>		
Inventory at the beginning of the year		
Traded goods	6,655,829	1,621,610
	<b>6,655,829</b>	<b>1,621,610</b>
Inventory at the end of the year		
Traded goods	12,223,074	6,655,829
	<b>12,223,074</b>	<b>6,655,829</b>
(Increase)/ decrease in inventories	<b>(5,567,245)</b>	<b>(5,034,219)</b>
<b><u>20. Employee benefits expense</u></b>		
Salaries, wages and bonus	1,471,057	1,071,387
Share based payment expense	1,800	10,651
Staff welfare expenses	41,584	70,557
	<b>1,514,441</b>	<b>1,152,595</b>
<b><u>21. Finance cost</u></b>		
Interest on		
Loan	58,333	
Cash Credit	81,036	-
Interest on Lease liabilities	12,760	
	<b>152,129</b>	<b>-</b>
<b><u>22. Depreciation</u></b>		
Depreciation of tangible assets	44,573	38,649
Amortisation of intangible assets	128,600	63,419
Amortisation of Right-of-use assets	91,193	-
	<b>264,366</b>	<b>102,068</b>
<b><u>23. Other expenses</u></b>		
Rent	-	98,992
Communication expenses	11	41
Travelling and conveyance	165,492	17,620
Professional charges	1,245,385	520,063
Insurance	119,659	43,626
Rates, taxes and fees	3,175	17,283
<b>Repairs and maintenance</b>		
Plant and machinery	14,933	2,309
Building	2,211	9,123
Others	16,115	-
<b>Research &amp; development expenses</b>		
RND Professional	201,000	-
<b>Selling expenses</b>		
Freight outwards and clearing charges	1,767,029	1,131,201
Sales promotion expenses	8,416,487	1,570,176
Printing and stationery	3,646	124
Miscellaneous expenses	45,373	47,005
	<b>12,000,516</b>	<b>3,457,563</b>

**BIOCON PHARMA INC.****Notes to the financial statements for the year ended March 31, 2020****(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)****24. Contingent liabilities and commitments****(i) Capital commitments:**

The estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2020, net of advances, is Rs. Nil (March 31, 2019:- Rs. Nil)

**(ii) Contingent liabilities:**

The company has no contingent liability as at March 31, 2020 and March 31, 2019.

**25. Reconciliation of basic and diluted shares used in computing earnings per share (EPS)**

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
<i>Earnings</i>		
Profit for the year	3,839,366	286,661
<i>Shares</i>		
Basic outstanding shares	140,000	140,000
Add: Weighted average shares issued during the year	-	-
<b>Weighted average shares used for computing basic and diluted EPS</b>	<u><u>140,000</u></u>	<u><u>140,000</u></u>
<b>Earnings per share</b>		
Basic and Diluted (in USD)	27	2

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