SARA & ASSOCIATES
Chartered Accountants

Santosh Jain | Ramawatar Sharma | Rajesh Agarwal | Alok Bairagra | Manoj Agarwal
Govind Sharma | Rachana Kanoi | Kamal Sharma | Dominic D'costa | Kalpesh Shrimanker

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INDEPENDENT AUDITORS' REPORT

To
M.s Chiron Panacea Vaccines Private Limited (in Liquidation)
Mumbai

Report on the Financial Statements

We have audited the accompanying financial statements of Chiron Panacea Vaccines Private Limited (In Liquidation) (the "Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

Liquidators Responsibility for the Financial Statements

Since the company is in the process of winding up, the liquidators are responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate.

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Chartered Accountants

Santosh Jain M.Com., F.C.A., DISA | Ramawatar Sharma B.Com., F.C.A. | Rajesh Agarwal B.Com., F.C.A. | Alok Balragra B.Com., F.C.A. | Manoj Agarwal B.Com., F.C.A.
Govind Sharma M.Com., F.C.A., DISA | Rachana Kanoi B.Com., F.C.A., C.S. | Kamal Sharma B.Com., F.C.A. | Dominic D'costa B.Com., F.C.A. | Kalpesh Shrimanker B.Com., A.C.A.

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An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Liquidators, as well as evaluating the overall presentation of the financial statements. 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, give the information required by the Act in the manner so require and give a true and fair view in conformity with the accounting principles generally accepted in India:

i) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2020;

ii) In the case of the Statement of Profit and Loss, of the ***Profit*** for the year ended on that date; and

We draw attention to Note 11(a) of financial statements. The management of the company has discontinued its operations and the company is in the process of voluntary winding-up. Accordingly, these financial statements have been prepared on the basis that company is no longer a going concern and all assets and liabilities have been measured and stated at the values they expect to be realised or settled at and provisions have been made in the books of account for the losses arising or likely to arise on account of such closure, to extent ascertained by management at time of preparation of these financial statements. Our opinion is not qualified in this matter.

Other Matter- Restriction of use

The Accompanying financial statements have been prepared, and this report thereon issued, solely for the purpose of submission to parent company to consolidate their accounts. Accordingly, this report should not be used, referred to or distributed for any other purpose without prior written consent.

For S A R A & Associates
Chartered Accountants
(Firm Registration No. 120927W)

SARA & ASSOCIATES MUMBAI Chartered Accountants

Manoj Agarwal

(Manoj Agarwal)
Partner
Membership No. 119509

Mumbai, 23rd June, 2020
UDIN: 20119509AAAAEX7639

Andheri Office: A-503, Vertex Vikas Building, Above Mitra Nursing Home, Sir M. V. Road, Andheri (East), Mumbai - 400 069. | Tel: 2682 6081-84 | Fax: 2682 6070

CHIRON PANACEA VACCINES PRIVATE LIMITED (Under Liquidtion)

Balance Sheet as at March 31, 2020

(All figures in Indian rupees)

	Notes	As at March 31, 2020	As at Mar 31, 2019
Equity and Liabilities			
Shareholder's funds			
Share capital	1	4,59,18,200	4,59,18,200
Reserves & surplus	2	6,55,48,241	5,95,85,403
		11,14,66,441	10,55,03,603
Current Liabilities			
Trade payables	3	1,98,152	7,15,452
Short-term provisions	4	7,14,138	7,87,738
		9,12,290	15,03,190
Total		11,23,78,731	10,70,06,793
Current Assets			
Cash and bank balances	5	11,06,64,922	10,55,36,622
Other current assets	6	10,80,928	13,58,965
Short-term loans and advances	7	6,32,881	1,11,206
		11,23,78,731	10,70,06,793
Total		11,23,78,731	10,70,06,793
Notes to the accounts	11	-	-

The accompanying notes are an integral part of the financials statements

As per our report of even date

For S A R A & Associates
Firm Registration no - 120927W
Chartered Accountants

SARA & ASSOCIATES MUMBAI Chartered Accountants

Manoj Agarwal

per Manoj Agarwal
Partner
Membership No: 119509

MUMBAI, 23rd June, 2020

For and on behalf of the Liquidators

Kamal Manik
Liquidator
DIN : 00302198

Vinod Goel
Liquidator
DIN : 02869127

CHIRON Panacea VACCINES

CHIRON PANACEA VACCINES PRIVATE LIMITED (Under Liquidtion)

Statement of Profit and Loss for the period ended March 31, 2020

(All figures in Indian rupees)

	Notes	Period ended Mar 31, 2020	Year ended Mar 31, 2019
Income			
Other income	8	73,21,825	51,66,575
Total revenue (I)		73,21,825	51,66,575
Expenses			
Employee benefits expense	9	-	-
Other expenses	10	7,19,314	21,83,165
Liquidation Expenses (refer note 4)		-	-
Total (II)		7,19,314	21,83,165
Profit before tax		66,02,511	29,83,410
Tax expenses			
Current tax		15,60,878	13,43,310
Deferred tax		-	-
(Reversal) for earlier years(net)		(9,21,205)	-
Total tax expenses		6,39,673	13,43,310
Profits/(Loss) for the period		59,62,838	16,40,100
Basic and diluted earnings per share of Rs 10/- each		1.30	0.36
Notes to the accounts	11		

The accompanying notes are an integral part of the financials statements

As per our report of even date

For S A R A & Associates
Firm Registration no - 120927W
Chartered Accountants

S A R A & ASSOCIATES * MUMBAI * Chartered Accountants

per Manoj Agarwal
Partner
Membership No: 119509

Mumbai
Date : 23rd June, 2020

For and on behalf of the Liquidators

Kamal Manik
Liquidator
DIN : 00302198

Vinod Goel
Liquidator
DIN : 02869127

Date : 23rd June 2020

CHIRON PANACEA VACCINES PRIVATE LIMITED (Under Liquidtion)

Notes to Unaudited 'Financial Statements for the period ended March 31, 2020

(All figures in Indian rupees)

1. Share Capital

	As at Mar 31 2020	As at Mar 31, 2019
Authorised shares		
9,000,000 (31 Mar 2019 - 9,000,000) equity shares of Rs 10/- each	9,00,00,000	9,00,00,000
Issued, subscribed and fully paid up shares		
4,591,820 (31 Mar 2019 - 4,591,820) equity shares of Rs 10/- each	4,59,18,200	4,59,18,200

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	As at March 31,2020		As at Mar 31, 2019	
	No	Rs	No	Rs
At the beginning of the period	45,91,820	4,59,18,200	45,91,820	4,59,18,200
Issued during the period	-	-	-	-
Bought back during the period	-	-	-	-
Outstanding at the end of the period	45,91,820	4,59,18,200	45,91,820	4,59,18,200

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares dividends in Indian rupees and pays dividends in Indian rupees/equivalent Euro.

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. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

	As at March 31,2020		As at Mar 31, 2019	
	No	% holding	No	% holding
Equity shares of Rs 10/- each fully paid				
Novartis Vaccines & Diagnostics, Srl	22,95,910	50%	22,95,910	50%
Panacea Biotec Limited	22,95,910	50%	22,95,910	50%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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CHIRON PANACEA VACCINES PRIVATE LIMITED (Under Liquidation)
Notes to Unaudited Financial Statements for the period ended March 31, 2020

(All figures in Indian rupees)

2. Reserves and surplus

	As at March 31, 2020	As at Mar 31, 2019
General Reserve		
Balance as per the last financial statements	68,00,000	68,00,000
	68,00,000	68,00,000
Surplus/(deficit) in the statement of profit and loss		
Balance as per the last financial statements	5,27,85,403	5,11,45,303
Profit/(Loss) for the period	59,62,838	16,40,100
	5,87,48,241	5,27,85,403
Total Reserves and Surplus	6,55,48,241	5,95,85,403

3. Trade Payables and Other Current Liabilities

	As at March 31, 2020	As at Mar 31, 2019
Trade payable		
for others	1,87,652	7,06,552
	1,87,652	7,06,552
Other current liabilities		
TDS payable	10,500	8,900
	10,500	8,900
Total	1,98,152	7,15,452

4. Provisions

	Short Term	
	As at March 31, 2020	As at Mar 31, 2019
Provision for taxation (Net of advance tax Rs x)	-	-
Provision for Liquidation expenses (refer note below)	7,14,138	7,87,738
	7,14,138	7,87,738
Provision for sales tax liability		
Opening Balance	-	-
Arising during the period (Net)	-	-
Utilised during the period	-	-
Closing Balance	-	-

Provision for sales tax liability is the estimated liability with respect to purchases where C forms have not been received by the Company upto the reporting date.

Provision for liquidation expenses		
Opening Balance	7,87,738	8,61,338
Arising during the period (Net)	-	-
Utilised during the period against the Op provision (refer note 11(f))	73,600	73,600
Closing Balance	7,14,138	7,87,738

Provision for liquidation expenses are recognized based on management's estimate of losses arising or likely to arise on account of closure of the Company (Refer Note 11(a)). The outflow of this provision is expected to take place within next 12 months from the balance sheet date.

SARA & ASSOCIATES
MUMBAI
Chartered Accountants

CHIRON PANACEA VACCINES PRIVATE LIMITED (Under Liquidtion)

Notes to Unaudited 'Financial Statements for the period ended March 31, 2020

(All figures in Indian rupees)

5. Cash and bank balances

	Non-current		Current	
	As at March 31, 2020	As at Mar 31, 2019	As at March 31, 2020	As at Mar 31, 2019
Cash and cash equivalents				
Balances with banks on current accounts	-	-	7,68,922	14,99,768
Deposits with original maturity of less than three months	-	-		
Cash on hand	-	-	-	542
	-	-	7,68,922	15,00,310
Other bank balances				
Deposits with original maturity for more than 12 months		-	10,98,96,000	10,40,36,312
	-	-	10,98,96,000	10,40,36,312
	-	-	11,06,64,922	10,55,36,622

6. Other Current Assets

	Non-current		Current	
	As at March 31, 2020	As at Mar 31, 2019	As at March 31, 2020	As at Mar 31, 2019
Assets held for disposal				
Interest accrued on fixed deposits	-	-	10,80,928	13,58,965
	-	-	10,80,928	13,58,965

7. Loans and Advances

	As at March 31, 2020	As at Mar 31, 2019
Security deposits (unsecured and considered good)	-	-
Advances recoverable in cash or in kind or for value to be received (unsecured and considered good)	5,57,889	-
Advance Income tax (Net of provision of Rs 11,626,646 (Previous year Rs 10,052,151)	74,992	1,11,206
	6,32,881	1,11,206

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CHIRON PANACEA VACCINES PRIVATE LIMITED (Under Liquidtion)

Notes to Unaudited Financial Statements for the period ended March 31, 2020

(All figures in Indian rupees)

8. Other Income

	Year ended Mar 31, 2020	Year ended Mar 31, 2019
Interest income on fixed deposits	62,01,834	51,66,575
Reversal of Provisions no longer required	11,19,991	-
	73,21,825	51,66,575

9. Employee benefits expense

	Year ended Mar 31, 2020	Year ended Mar 31, 2019
Salaries, wages and bonus	-	-
Contribution to provident and other funds	-	-
Staff welfare expenses	-	-
	-	-

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CHIRON PANACEA VACCINES PRIVATE LIMITED (Under Liquidation)
Notes to financial statements for the year ended March 31, 2020

11 (a) Background and nature of operations

Chiron Panacea Vaccines Private Limited (Under Liquidation) ('the Company') is a 50:50 joint venture company between GSK Vaccines Srl (formerly Novartis Vaccines & Diagnostics Srl) Italy and Panacea Biotec Limited. The Company was incorporated in India on July 30, 2004. The Company was formed to promote market and distribute breakthrough innovative pediatric combination vaccines.

The Company had received "Dissolution of Joint Venture Agreement" dated November 30, 2012 whereby the Joint Venture partners have desired and mutually agreed to an early termination of the JV Agreement. As per the dissolution agreement, the joint venture between both the partners will be terminated and operations shall be ceased w.e.f. January 31, 2013. A Board Resolution was passed on December 29, 2012 granting consent to the Company to sign the Dissolution Agreement as a confirming party. Subsequently, the Board of Directors passed a resolution giving their in-principle approval to voluntarily wind up the Company in their meeting held on May 24, 2013.

Members of the Company have consented to the Voluntary Winding up of the Company vide their special resolution passed at the Extra Ordinary General Meeting of members held on 3rd day of September 2013. At the same meeting Mr. Vinod Goel and Mr. Kamal Dewandas Manik, Directors of the Company, were appointed as Liquidators of the Company.

The Company's winding-up proceedings have not yet completed as on date. Liquidators have filed "Liquidator's Account" with Registrar of Companies as prescribed in the Form 153 of the Companies (Court) Rules and verified through affidavits from the liquidators in Form 154 for the period from 3rd September 2013 to 2nd March 2020.

Accordingly, these financial statements have been prepared on the basis that the Company is no longer a going concern and all assets and liabilities have been measured and stated at the values they are expected to be realized or settled at and provisions have been made in the books of account for the losses arising or likely to arise on account of such closure, to the extent ascertained by management at the time of preparation of these interim financial statements.

11(b) Summary of significant Accounting Policies

(i) Basis of preparation

The financial statements have been prepared under the liquidation basis of accounting on the assumption that the company ceases to be a going concern. The current liabilities and provisions are stated on the accrual basis of accounting to comply with the accounting standards issued by the Institute of Chartered Accountants of India and in conformity with the generally accepted accounting principles in India (India GAAP).

Realizable value of assets and settlement value of liabilities including the provision for liquidation expenses are based on management estimates. On final settlement, these values may materially differ from the amounts shown in the financial statements. Further, these financial statements do not include any adjustment that might result from the outcome of this uncertainty.

SARA & ASSOCIATES MUMBAI Chartered Accountants

CHIRON PANACEA VACCINES PRIVATE LIMITED (Under Liquidation)
Notes to financial statements for the year ended March 31, 2020

(ii) **Income-tax**

The Company has made provision for income taxes in the current financial statements, which in the opinion of the management is adequate.

Deferred tax asset has not been recognized as the period-end as the Company has prepared the financial statements on the liquidation basis due to which there is lack of reasonable certainty that the Company will be able to utilize the deferred tax asset in future.

(iii) **Provision for liquidation expenses**

Provision for liquidation expenses are recognized based on management's estimate of losses arising or likely to arise on account of closure of the Company. Expenses incurred to the extent of utilization of liquidation expense are reduced from the provision for liquidation expenses. Additional provision based on change in management estimates is added to the provision and charged to the statement of profit and loss for the period.

(iv) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(v) **Cash and Cash Equivalent**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

11 (c) Employee Benefit Obligation

As at Balance sheet date the Company does not have any employees.

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CHIRON PANACEA VACCINES PRIVATE LIMITED (Under Liquidation)

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

11(d) Earnings per share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net profit /(Loss) after tax (in Rs.)	5,962,838	1,640,100
Weighted average no of shares outstanding during the period	45,91,820	45,91,820
Basic and diluted earnings per share (in Rs.)	1.30	0.36
Nominal value of each equity share (in Rs.)	10/-	10/-

11(e) Related party disclosures

(a) Names of related parties and description of relationship:

Sr. no.	Relationship	Name of related party
1	Venturer	1. Panacea Biotec Limited 2. GSK Vaccines, Srl, Italy

(b) **Details of transactions**

Particulars	Transactions		Amount outstanding/ (receivable)	
	FY 2019-20	FY 2018-19	Year ended March 31, 2020	Year ended March 31, 2019
Panacea Biotec Limited • Rent (inclusive of GST)	424,800	424,800	70,800	32,400

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CHIRON Panacea VACCINES

CHIRON PANACEA VACCINES PRIVATE LIMITED (Under Liquidation)
Notes to financial statements for the year ended March 31, 2020

11(f) Utilization of Provision for liquidation expenses during the current period is as under:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Legal & Professional fees	73,600	73,600
	73,600	73,600

As per our report of even date

For S A R A & Associates
Firm Registration no – 120927W
Chartered Accountants

SARA & ASSOCIATES MUMBAI Chartered Accountants

Manoj Agarwal

per Manoj Agarwal
Partner
Membership No.:119509

Place MUMBAI
Date: 23rd June, 2020

For and on behalf of Chiron Panacea Vaccines Private Limited (Under Liquidation)

Kamal Manik
Liquidator
DIN: 00302198

Vinod Goel
Liquidator
DIN: 02869127

Date: 23rd June 2020