

INDEPENDENT AUDITORS' REPORT

To the Members of PanEra Biotec Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of PanEra Biotec Private Limited ("the Company"), which comprise the standalone Balance Sheet as at 31st March 2020, and the Standalone statement of Profit and Loss, statement of changes in equity and Standalone statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Standalone state of affairs of the Company as at March 31, 2020, and its loss and standalone 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 standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, 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 standalone Financial Statements.



Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance, (changes in equity) and standalone cash flows of the Company in accordance with the Ind AS & other accounting principles generally accepted in India. The respective Board of Director of the company's are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 respective Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement



resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 auditors' 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone financial statements of such entities included in the standalone financial statements.

Materiality is the magnitude of misstatements in the standalone 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 standalone 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.

EMPHASIS OF MATTER

Attention is invited to the financial statements being prepared on a going concern basis, notwithstanding the fact that the Company's net worth is eroded (Net Worth as at 31st March, 2020 (Rs.60,726, 251/-)). Such an event has cast a significant doubt on the ability of the Company to continue as a going concern.

OTHER MATTER

Due to Covid-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the review process was carried out based on the remote access and evidence shared digitally.

Our conclusion is not modified in respect of this other matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone financial statement.
- 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 standalone Balance Sheet, the standalone Statement of Profit and Loss, and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account maintain for the purpose of the standalone financial statement.
- d. In our opinion, the aforesaid standalone financial statements comply with 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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, In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at 31st March, 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 issued by the Institute of Chartered Accountants of India.
- g. 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, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations on its financial position in its standalone financial statements.
 - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. 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.

For Sudhir Sunil & Co.
Chartered Accountants
FRN: 08345N

Mahima Kapoor
Mahima Kapoor
Partner
Membership No.: 514276



Place: New Delhi
Date: 29.06.2020

Annexure "A" to the Independent Auditors' Report

The Annexure referred to in our report to the members of **Panera Biotec Private Limited** ("the Company") on the standalone financial statements for the year ended on 31st March 2020. We report that:

(i) In Respect of Fixed Assets

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the management at reasonable intervals; 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 Company does not hold any Immovable Property. Thus, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) In Respect of Inventory

Physical verification of inventory has been conducted at reasonable intervals by the management; No material discrepancies were noticed on such verification.

(iii) Loans given by Company

- a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Sec 189 of the Act.
- b) Accordingly, the provisions of clauses (iii)(a), (iii)(b) and (iii)(c) of the paragraph 3 of the Order are not applicable.

(iv) Loans, investments, guarantees, and security under section 185 and 186 of the Companies Act, 2013



The Company has neither granted any loan, nor made any investments or given any securities as per Sec 185 and 186 of the Act. Accordingly, the provisions of clause (iv) of the paragraph 3 of the Order is not applicable.

(v) Rules followed while accepting Deposits

The Company has not accepted any deposit from public during the year. In our opinion and according to the information and explanation given to us the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules 2014 with regard to deposits from the public is not applicable in the current year. Thus, paragraph 3(v) of the Order is not applicable to the Company.

(vi) Maintenance of cost records

The provisions of maintenance of cost records under sub-section (I) of section 148 of the Companies Act, 2013 is not applicable.

(vii) Statutory Dues

- a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Income tax, Goods & Service Tax, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, , goods and service tax or cess and any other statutory dues with the appropriate authorities were in arrears, as at 31st March, 2020 for a period of more than six months from the date they became payable.

(viii) Default in Repayment of Loans and Borrowings taken from Bank or Financial Institutions



According to the information and explanation given to us and on the basis of our examination of the records, the Company does not have any loans or borrowings from any financial institution, banks, and government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) Utilisation of IPO and further Public Offer

The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) Reporting of Fraud During the Year Nature and Amount

According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) Approval of Managerial Remuneration

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.

(xii) Nidhi Company

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) Related Party Transactions

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.

(xiv) Private Placement or Preferential Issues

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) Non Cash Transactions

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 him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) Register under RBI Act, 1934

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Sudhir Sunil & Co.
Chartered Accountants

FRN: 08345N


Mahima Kapoor

Partner

Membership No.: 514276



Place: New Delhi

Date: 29.06.2020

PanEra Biotech Private Limited
Balance Sheet as at March 31, 2020

	Note No.	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
a) Property, plant and equipment	3	146,168	164,477
b) Intangibles assets	4	0	600
c) Financial assets			
(i) Investments	5	900,000	900,000
(ii) Loans	6	250,000	250,000
(iii) Other financial assets	7	281,700	266,811
e) Non-current tax assets (net)	8	9,442,176	9,429,392
Total non-current assets		11,020,044	11,011,280
Current assets			
a) Inventories	9	11,200	189,392
b) Financial assets			
(i) Investments	10	25,701,380	25,701,380
(ii) Cash and cash equivalents	11	213,055	873,328
(iii) Other bank balances	12	-	3,817,092
(iv) Loans	13	184,291	184,291
c) Other current assets	14	6,867,736	6,897,523
Total current assets		32,977,662	37,663,006
Total Assets		43,997,706	48,674,286
Equity and Liabilities			
Equity			
a) Equity share capital	15	8,395,340	8,395,340
b) Other equity	16	(69,121,589)	(68,601,267)
Total equity		(60,726,249)	(60,205,927)
Non-current liabilities			
a) Provisions	17	-	-
Total non-current liabilities		-	-
Current liabilities			
a) Financial liabilities			
(i) Trade payables	18	73,208,163	77,597,286
(ii) Other financial liabilities	19	8,639,109	8,125,508
b) Other current liabilities	20	22,784,301	23,065,037
c) Provisions	21	92,382	92,382
Total current liabilities		104,723,955	108,880,213
Total Liabilities		104,723,955	108,880,213
Total Equity and Liabilities		43,997,706	48,674,286

Statement of significant accounting policies

The accompanying notes (1-47) are an integral part of the financial statements.
This is the Balance sheet referred to in our report of even date

For Sudhir Sunil & Co.

Firm registration number: 8345N
Chartered Accountants

Mahima Kapoor
per **Mahima Kapoor**
Partner

Membership No. 514276

Place - New Delhi
Date - June 29, 2020

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

Rajesh Jain
per **Rajesh Jain**
Director

DIN: 00013053

Sandeep Jain
per **Sandeep Jain**
Director

DIN: 00012973



PanEra Biotec Private Limited
Statement of Profit and Loss for the year ended March 31, 2020

		Amount in Rs.	
	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	22	328,192	221,416,205
Other income	23	1,455,204	996,678
Total income		1,783,396	222,412,883
Expenses			
Cost of raw and packing material consumed	24	178,192	69,408,668
Changes in inventories of:	25		
Finished goods		-	26,335,930
Work-in -progress		-	44,182,063
Employee benefits expense	26	-	11,359,745
Finance costs	27	1,123,041	1,803,266
Depreciation and amortisation expense	28	18,908	38,777
Other expenses	29	983,577	70,251,780
Total expenses		2,303,718	223,380,229
Profit/(Loss) before exceptional items and tax		(520,322)	(967,346)
Exceptional items			
Profit/(Loss) before tax		(520,322)	(967,346)
Tax expense			
Current tax			-
Deferred tax (credit)/charge	30	-	-
Total tax expense		-	-
Profit/(Loss) for the year		(520,322)	(967,346)
Other comprehensive income			
<u>Items that will not be reclassified to Profit or Loss</u>			
Remeasurements of net defined benefit plans		-	-
Tax on above Items	30	-	-
Total other comprehensive income		-	-
Total comprehensive income for the year		(520,322)	(967,346)
Earning per equity share of Rs. 10 each:	31		
Basic earning per equity share (in Rs.)		(0.62)	(1.15)
Diluted earning per equity share (in Rs.)		(0.62)	(1.15)

Statement of significant accounting policies

The accompanying notes (1-47) are an integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date

For Sudhir Sunil & Co.

Firm registration number: 8345N
Chartered Accountants

Mahima Kapoor
per **Mahima Kapoor**
Partner

Membership No. 514276

Place - New Delhi
Date - June 29, 2020



**For and on behalf of Board of Directors
of PanEra Biotec Private Limited**

Rajesh Jain

Rajesh Jain
Director
DIN: 00013053

Sandeep Jain

Sandeep Jain
Director
DIN: 00012973

PanEra Biotec Private Limited**Statement of Changes in Equity for the year ended March 31, 2020****A. Equity share capital**

Amount in Rs.

Opening balance as at April 01, 2017	8,395,340
Change during the year	-
Closing balance as at March 31, 2018	8,395,340
Change during the year	-
Closing balance as at Mar 31, 2019	8,395,340
Change during the half-yearly	-
Closing balance as at March 31, 2020	8,395,340

B. Other equity

Amount in Rs.

	Reserves & surplus	Total
	Retained Earnings	
Balance as at April 01, 2019	(68,601,267)	(68,601,267)
Profit for the year	(520,322)	(520,322)
Re-measurement of defined benefit obligation	-	-
Total comprehensive income for the year	(520,322)	(520,322)
Transaction with owners		
Interim dividend	-	-
Tax on dividend	-	-
Transfer to/from general reserves	-	-
Balance as at March 31, 2020	(69,121,589)	(69,121,589)

Statement of significant accounting policies

The accompanying notes (1-47) are an integral part of the

This is the Statement of Changes in Equity referred to in our report of even date

For Sudhir Sunil & Co.

Firm registration number: 8345N

Chartered Accountants


per **Mahima Kapoor**

Partner

Membership No. 514276

Place - New Delhi

Date - June 29, 2020

**For and on behalf of Board of Directors of PanEra Biotec Private Limited**

Rajesh Jain

Director

DIN: 00013053


Sandeep Jain

Director

DIN: 00012973

PanEra Biotech Private Limited
Cash flow statement for the year ended March 31, 2020

	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow from operating activities		
Loss before tax	(520,322)	(967,346)
Adjustment for		
Depreciation and amortisation expenses	18,908	38,777
Interest income	(127,837)	(356,204)
Excess provision written back		
Unrealized foreign exchange loss/(gain) (net)		
Operating profit before working capital changes	(629,251)	(1,284,773)
Movement in working capital		
Inventories	178,192	179,383,918
Loans	-	327,109
Other assets	29,787	19,888,289
Trade payable	(4,389,122)	(63,529,847)
Other financial liabilities	513,601	(15,101,558)
Other liabilities	(280,736)	(122,236,996)
Provisions	-	(15,571,851)
Cash flow from operating activities post working capital changes	(4,577,529)	(18,125,708)
Income tax (paid)/refund (net)	(12,784)	(50,692)
Net cash flow from operating activities (A)	(4,590,313)	(18,176,401)
B. Cash flow from investing activities		
Sale/(purchase) of investments	-	250,000
Interest received	127,837	356,204
Investments in bank deposits having original maturity of more than three months	3,802,204	11,348,063
Net cash flow flow used in investing activities (B)	3,930,041	11,954,267
Increase in net cash and cash equivalents (A+B+C)	(660,272)	(6,222,134)
Cash and cash equivalents at the beginning of the year (refer note 11)	873,327	7,095,461
Cash and cash equivalents at the end of the year (refer note 11)	213,055	873,327

Statement of significant accounting policies

The accompanying notes (1-47) are an integral part of the financial statements.
This is the Cash Flow Statement referred to in our report of even date.

For Sudhir Sunil & Co.
Firm registration number: 8345N
Chartered Accountants

Mahima Kapoor
Per Mahima Kapoor
Partner
Membership No. 514276

Place - New Delhi
Date - June 29, 2020



**For and on behalf of the Board of Directors
of PanEra Biotech Private Limited**

Rajesh Jain
Rajesh Jain
Director
DIN: 00013053

Sandeep Jain
Sandeep Jain
Director
DIN: 00012973

PanEra Biotec Private Limited

Summary of significant accounting policies for the year ended March 31, 2020

1. i) Corporate information

PanEra Biotec Private Limited ("the Company") is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company was engaged in the business of manufacturing of recombinant bulk vaccine & antigen, tetanus bulk vaccine, bacterial bulk vaccine and cell cultural bulk vaccine and supplying the same for manufacture of finished vaccines.

ii) Basis of preparation

The financial results 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.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial results in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company has applied Ind AS 115, Revenue from Contracts with Customers for the first time for their annual reporting period commencing April 1, 2018.

The financial results have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Property, plant and equipment and intangible assets have been carried at deemed cost on the date of transition using the optional exemption allowed under Ind AS 101.

2. Summary of Accounting Policies

a. Uses of estimates

The preparation of the financial results in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial results and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial results in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial results.

b. 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



PanEra Biotec Private Limited

Summary of significant accounting policies for the year ended March 31, 2020

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.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

c. Inventory

Inventories are valued as follows:

Raw materials, stores and spares and packing materials

Raw materials (including packing materials), components, stores & spares are valued at lower of cost or net realisable value. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work in progress and finished goods

Work in progress and finished goods are valued at lower of cost or net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

d. Property, Plant and Equipment

Recognition and initial measurement

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its Tangible/Intangible assets as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 01, 2016.

Property, plant and equipment are stated at the cost of acquisition or construction less accumulated depreciation and write down for, impairment if any. Costs that are directly related to acquisition of asset are capitalized until the assets are ready to be put to use. Property, plant and equipment purchased in foreign currency are recorded at cost, based on the exchange rate on the date of purchase.

The Company identifies and determines cost of each component/ part of Property, plant and equipment separately, if the component/ part have a cost which is significant to the total cost of the Property, plant and equipment and has useful life that is materially different from that of the remaining asset.

Gains or losses arising from derecognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of Property, plant and equipment and are recognized in the statement of profit and loss when the Property, plant and equipment is



PanEra Biotech Private Limited

Summary of significant accounting policies for the year ended March 31, 2020

derecognized. Cost of assets not ready for use at the balance sheet date is disclosed under capital work-in-progress.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. **(Ind AS 16)**

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the written down value method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013. The following useful life of assets has been taken by the Company:

Tangible Assets	Useful Life
Plant & Machinery	15 Years
Furniture and Fittings	10 Years
Vehicles	8 Years
Office Equipment	5 Years
Computer Equipment	3Years and 6 Years

Leasehold improvements are amortised over the initial period of lease or useful life, whichever is shorter.

e. Intangibles assets

Recognition and initial measurement

Using the deemed cost exemption available as per Ind AS 101, the Company has elected to carry forward the carrying value of intangible assets under Indian GAAP as on March 31, 2016 as book value of such assets under Ind AS as at the transition date i.e. April 01, 2016.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Subsequent measurement

Subsequently the intangible assets are amortized over the useful life as estimated by the management.

Intangible Assets	Useful life (in years)
Product development	- Amortised over a period of 5 Years
Technical know-how	- Amortised over a period of 5 years
Software	- Amortised over a period of 5 years
Websites	- Amortised over a period of 2 years

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.



PanEra Biotec Private Limited

Summary of significant accounting policies for the year ended March 31, 2020

f. Impairment of non-financial Assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

g. Functional and presentation currency

The financial results are presented in Indian Rupees (INR), which is also the Company's functional currency.

Foreign Currencies

Transactions and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

h. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable



PanEra Biotec Private Limited

Summary of significant accounting policies for the year ended March 31, 2020

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial results on a recurring basis, company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

i. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below:

Sale of goods:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Interest Income:

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

For all Financial Assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Income from services:

The Company derives its other operating revenue primarily from service charges and processing charges and the revenue from these services are recognized as revenue when the related services are rendered.

j. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate and other costs like finance charges in respect of the finance leases recognized in accordance with IND AS 17, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



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Summary of significant accounting policies for the year ended March 31, 2020

k. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement: - All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement:-

i) Financial instruments at amortized cost – the financial instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii) Financial assets at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI)

A financial asset is classified as FVTPL if it is classified as held for trading or is designated as such on initial recognition. In other cases, Company decides to classify the each financial instrument either as at FVOCI or FVTPL at initial recognition.

Financial asset

- Held-to-maturity financial assets

If Company, has positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

- Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

- Cash and Cash equivalents

Cash and cash equivalents comprise cash balances (Cash in hand, bank balances) and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of the short-term commitments.



PanEra Biotec Private Limited

Summary of significant accounting policies for the year ended March 31, 2020

- Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

Financial liabilities

Company initially recognizes financial liabilities (including liabilities designated as at fair value through profit or loss or fair value through other comprehensive income) on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

l. Investment in subsidiaries, joint ventures and associates

Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial results. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

m. Retirement and other employee benefits

Defined Contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to the Provided Fund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other Employee Benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after



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Summary of significant accounting policies for the year ended March 31, 2020

the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Other short term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

n. Provisions

General provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

o. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

p. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 01, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Financial Lease

Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease



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Summary of significant accounting policies for the year ended March 31, 2020

payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

q. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.



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Summary of significant accounting policies for the year ended March 31, 2020

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

r. Cash dividend distribution to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

s. 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.



PanEra Biotech Private Limited

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

Note 3 Property, plant and equipment

Description	Amount in Rs.						
	Leasehold Land	Building	Plant and equipment	Furniture and fittings	Vehicles	Office equipments	Computer equipments
Gross carrying value							
As at April 01, 2017*	6,407,971	-	865,423	148,997	460,610	494,728	614,613
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-
As at March 31, 2018	6,407,971	-	865,423	148,997	460,610	494,728	614,613
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-
As at March 31, 2019	6,407,971	-	865,423	148,997	460,610	494,728	614,613
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-
As at March 31, 2020	6,407,971	-	865,423	148,997	460,610	494,728	614,613
Accumulated depreciation							
As at April 01, 2017*	6,407,971	-	762,115	123,481	394,394	469,851	567,171
Charge for the year	-	-	24,587	6,031	22,408	57	11,954
Deduction during the year	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-
As at March 31, 2018	6,407,971	-	786,701	129,511	416,801	469,908	579,124
Charge for the year	-	-	14,792	4,378	14,825	-	3,854
Deduction during the year	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-
As at March 31, 2019	6,407,971	-	801,493	133,889	431,626	469,908	582,978
Charge for the year	-	-	9,155	3,178	5,976	-	-
Deduction during the year	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-
As at March 31, 2020	6,407,971	-	810,648	137,066	437,602	469,908	582,978
Net block as at April 01, 2018	-	-	78,722	19,486	43,809	24,820	35,489
Net block as at Mar 31, 2019	-	-	63,930	15,108	28,984	24,820	31,635
Net block as at March 31, 2020	-	-	54,775	11,931	23,008	24,820	31,635



PanEra Biotech Private Limited

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

Note 4 Intangible assets

					Amount in Rs.
Description	Patent, Trademark & Copyrights	Softwares	Websites	Product development	Total
Gross carrying value					
As at March 31, 2017		2,454,175			2,454,175
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2018	-	2,454,175	-	-	2,454,175
Additions	-	-	-	-	-
Adjustments	-	-	-	-	-
As at March 31, 2019		2,454,175			2,454,175
Additions	-	-	-	-	-
Adjustments	-	-	-	-	-
As at March 31, 2020		2,454,175			2,454,175
Accumulated amortisation					
As at March 31, 2017		2,451,718			2,451,718
Additions	-	929	-	-	929
Disposals	-	-	-	-	-
As at March 31, 2018	-	2,452,647	-	-	2,452,647
Charge for the year	-	929	-	-	929
Disposals	-	-	-	-	-
As at March 31, 2019		2,453,575			2,453,575
Charge for the year	-	600	-	-	600
Disposals	-	-	-	-	-
As at March 31, 2020		2,454,175			2,454,175
Net block as at April 01, 2018	-	1,528	-	-	1,528
Net block as at Mar 31, 2019	-	600	-	-	600
Net block as at March 31, 2020	-	0	-	-	0



PanEra Biotech Private Limited
Notes to the financial statements for the year ended March 31, 2020

	As at March 31, 2020	As at March 31, 2019
Note 5 Investments (non-current)		
Investments equity instruments-carried at cost		
Investment in Joint ventures (unquoted):		
90,000 (March 31, 2019: 90,000) Equity Shares of Rs.10 each, fully paid-up in Adveta Power Pvt Ltd.	900,000	900,000
	900,000	900,000
Aggregate amount of unquoted investments	900,000	900,000

Note 6 Loans (non-current)		
Unsecured, considered good		
Security deposits	250,000	250,000
Unsecured, considered doubtful		
Loans to related parties	250,000	250,000
Less : Provision for doubtful loans	250,000	250,000

(a) No loans are due from director or other officers of the Company either severally or jointly with any other person. Further, no loans are due from firms or private companies respectively in which director, is partner or a member.

(b) Fair value disclosures for disclosure of fair value in respect financial assets measured at amortised cost and - Financial Risk Management for assessment of expected credit losses.

Note 7 Other financial assets (non-current)		
Bank deposits with maturity of more than 12 months	281,700	266,811
	281,700	266,811

Fixed deposit amounting to Rs.281,700 (March 31, 2019: Rs.266,811) with IDBI Bank Ltd.

Note 8 Non-current tax assets (net)		
Current tax asset		
Advance income tax	9,442,176	9,429,392
	9,442,176	9,429,392

Note 9 Inventories		
Raw materials (including packing materials)	-	178,192
Finished goods	-	-
Work-in-progress	-	-
Stores and spares	11,200	11,200
	11,200	189,392

Note 10 Current investment		
Investments equity instruments		
Investment in joint ventures (unquoted):		
2,570,138 (March 31, 2019: 2,570,138) 0.5 % non-convertible* non-cumulative redeemable fully paid up, preference shares of Rs.10 each in Adveta Power Pvt.Ltd.	25,701,380	25,701,380
	25,701,380	25,701,380
Less : provision for impairment	-	-
	25,701,380	25,701,380
Aggregate amount of unquoted investments	25,701,380	25,701,380



PanEra Biotech Private Limited

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

	As at March 31, 2020	As at March 31, 2019
Note 11 Cash and bank balances		
Cash on hand	3,412	8,429
Balances with banks	-	-
Current accounts	209,643	864,899
	213,055	873,328
Note 12 Other Bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	-	3,817,092
Unpaid dividend accounts	-	-
	-	3,817,092
Note 13 Loans		
Unsecured, considered good		
Loan to employees	184,291	184,291
Unsecured, considered doubtful		
Loans to related parties	-	-
	184,291	184,291
Note 14 Other current assets		
Prepaid expenses	-	16,951
Balances with government authorities	6,297,923	6,305,378
Advance to suppliers	569,813	575,194
	6,867,736	6,897,523



PanEra Biotec Private Limited

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

Note 15 Share capital

As at
March 31, 2020

As at
March 31, 2019

(a) Authorised share capital

860,000 (March 31, 2019: 860,000) Equity Shares of Rs. 10 each

8,600,000 8,600,000

(b) Issued, subscribed & paid up

839,534 (March 31, 2019: 839,534) Equity Shares of Rs.10 each fully paid up.

8,395,340 8,395,340
8,395,340 8,395,340

(c) Terms/right 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 and pays dividends in Indian Rupees. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company has not declared any dividend for current year and previous year.

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

(d) Reconciliation of number of equity shares

	As at March 31, 2020		As at March 31, 2019	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	839,534	8,395,340	839,534	8,395,340
Changes during the year				
Equity shares at the end of the year	839,534	8,395,340	839,534	8,395,340

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

	As at March 31, 2020		As at March 31, 2019	
	No of shares	% holding	No of shares	% holding
Panacea Biotec Limited	419,767	50.0%	419,767	50.0%
Mr. Soshil Kumar Jain	104,941	12.5%	104,941	12.5%
Dr. Rajesh jain	104,942	12.5%	104,942	12.5%
Mr. Sandeep Jain	104,942	12.5%	104,942	12.5%
Ms. Sunanda Jain	104,942	12.5%	104,942	12.5%
	839,534	100%	839,534	100%



PanEra Biotech Private Limited

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

	As at March 31, 2020	As at March 31, 2019
Note 16 Other equity		
(i) Retained earnings		
Opening balance	(68,601,267)	(67,633,921)
Add: Net profit/(loss) for the current year	(520,322)	(967,346)
Add: Remeasurements of the net defined benefit plans	-	-
Profit available for appropriation	(69,121,589)	(68,601,267)
Less : Appropriations	-	-
Transferred to general reserves	-	-
Proposed dividend	-	-
Corporate dividend tax	-	-
Closing balance	(69,121,589)	(68,601,267)
(ii) Other comprehensive income reserve		
Remeasurements of the net defined benefit plans	-	-
Opening balance	-	-
Change during the year	-	-
Closing balance	-	-
Total	(69,121,589)	(68,601,267)
Note 17 Long term provisions		
Provision for gratuity (Refer note 43)	-	-
Provision for compensated absences	-	-
	-	-
Note 18 Trade payables		
Trade payables dues to micro and small enterprises^	2,694,853	2,694,853
Trade payables dues to other than micro and small enterprises	70,513,310	74,902,433
	73,208,163	77,597,286
(^Refer note 35)		
Note 19 Other financial liabilities (current)		
Employee related payables	5,407,366	5,978,967
Other Payable	3,231,743	2,146,541
	8,639,109	8,125,508
Note 20 Other current liabilities		
Advances from customers	22,770,901	22,981,167
Statutory liabilities	13,400	83,870
	22,784,301	23,065,037
Note 21 Provisions (current)		
Provision for gratuity (Refer note 43)	-	-
Provision for compensated absences	92,382	92,382
	92,382	92,382



PanEra Biotech Private Limited

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

		For the year ended March 31, 2020	For the year ended March 31, 2019
Note	22 Revenue from operations		
	Sale of products (gross)		
	Manufactured goods		
	Domestic	-	128,400,365
	Traded Goods		
	Domestic	178,192	92,824,791
	Other operating revenue		
	Income from contract research	-	191,049
	Scrap sale	150,000	-
		328,192	221,416,205
Note	23 Other income		
	Income from non-current investments		
	Dividend received (from investment in Joint Venture)		
	Interest income from:		
	Banks deposits	127,837	356,204
	Other		
	Miscellaneous income	1,327,367	640,474
		1,455,204	996,678
Note	24 Cost of material consumed		
	Raw materials and components (includes packing material)		
	Opening stock	178,192	62,205,195
	Add : Purchases during the year	-	7,381,665
		178,192	69,586,860
	Less : Closing stock	-	178,192
		178,192	69,408,668
Note	25 Changes in inventories		
	Opening Stock		
	Finished goods	-	26,335,930
	Work-in-progress	-	44,182,063
		-	70,517,993
	Closing stock		
	Finished goods	-	-
	Work-in-progress	-	-
		-	-
	Changes in inventories		
	Finished goods	-	26,335,930
	Work-in-progress	-	44,182,063
		-	70,517,993
Note	26 Employee benefit expense		
	Salary, wages and bonus	-	8,377,895
	Contract wages	-	632,482
	Contribution to provident and other funds	-	1,048,505
	Staff welfare expenses	-	1,300,863
	Gratuity expense (Refer note 43)	-	-
		-	11,359,745
Note	27 Finance cost		
	Bank charges	1,123,041	1,803,266
		1,123,041	1,803,266



PanEra Biotech Private Limited

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Note 28 Depreciation & amortization		
Depreciation on tangible fixed assets	18,308	37,848
Amortisation of intangible assets	600	929
	18,908	38,777

Note 29 Other expenses		
Analytical testing and trial charges	-	314,962
Consumption of stores and spares	-	54,127,282
Power and fuel	-	2,333,250
Cold water expense	-	1,558,930
Effluent treatment plant expense	-	73,312
Water expenses	-	15,640
Steam	-	2,193,166
Incinerator	-	78,104
Repair and maintenance :		
Buildings	-	66,302
Plant and machinery	-	621,761
Others	-	3,710
Rent :		
Rent factory	-	240,066
Rent plant and machinery	-	3,809,385
Rent for office and storage	156,000	146,000
Printing and stationery	864	366,235
Postage and communication	-	35,072
Insurance	4,560	603,688
Travelling and conveyance expenses	5,369	368,470
Payment to auditors*	50,000	50,000
Legal and professional charges**	62,500	764,197
Vehicle running and maintenance	-	1,057,888
House keeping	-	45,475
Rates and taxes	56,501	761,762
Donation	-	500,000
Subscription	-	36,000
Exchange difference (net of gain)	645,475	14,874
Meetings and conferences	2,308	2,319
Freight and forwarding	-	63,931
	983,577	70,251,780

***Payment to Auditors' includes :**

Statutory audit fees		
Statutory audit Fees	50,000	50,000
Out of pocket expenses	-	-

**** Included in legal & professional charges**

Tax audit fee	30,000	30,000
Income tax matters	20,000	20,000
Cost audit fee	-	50,000
Total	100,000	150,000



PanEra Biotec Private Limited

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

30) Income Tax

The income tax expense consists of the following:

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Recognized in statement of Profit & Loss		
Current tax expense for the current year	NIL	NIL
Current tax expense pertaining to previous years	NIL	NIL
Minimum alternative tax (MAT) credit	NIL	NIL
Deferred tax expense/(benefit)	NIL	NIL
Recognized in OCI		
Deferred Tax	NIL	NIL
Total income tax	NIL	NIL

The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the statement of profit and loss is as follows:

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/loss before income taxes	(520,322)	(967,346)
Tax on above losses as per applicable tax rate @ 26% (March 31, 2019 @ 27.82%)	(135,284)	(269,116)
Adjustments in respect of current income tax		
Tax impact of expenses which will allowed on payment basis	NIL	(6,274)
Tax on Income under Other Sources	(33,238)	(99,096)
Deferred tax not created on unused losses	(77,015)	(263,239)
Tax on earlier years	NIL	NIL
Others	(25,031)	99,492
Total tax expense	NIL	NIL

31) Earnings per Share

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(loss) attributable to equity shareholders	(520,322)	(967,346)
Weighted average number of equity shares	839,534	839,534
Nominal value per equity share	10	10
Earnings per equity share		
Basic earning per equity share (in Rs.)	(0.62)	(1.15)
Diluted earning per equity share (in Rs.)	(0.62)	(1.15)



PanEra Biotech Private Limited

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

32) Contingencies and Commitments

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Contingent Liabilities	NIL	NIL
Capital and other commitment	NIL	NIL

33) In the opinion of the management, all the current assets, loans & advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

34) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided in the books are as follows:

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Tangible Assets	NIL	NIL
Intangible Assets	NIL	NIL
Total	NIL	NIL

35) **Disclosure of dues to micro and small enterprises** as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

Particulars	As at March 31, 2020		As at March 31, 2019	
	Principal (Rs. in Lacs)	Interest (Rs. in Lacs)	Principal (Rs. in Lacs)	Interest (Rs. in Lacs)
Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year.	26.95	10.85*	26.95	7.47*
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL	22.50	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	NIL	NIL	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of the year	NIL	31.81*	NIL	20.96*
The amount of further interest remaining due and payable in succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	NIL	NIL	NIL	NIL

* Included in "Trade payables dues to other than micro and small enterprises" in Note 18



PanEra Biotech Private Limited

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

36) Related Party Disclosure

A. List of related parties:-

- a. Shareholder holding 50% stake: Panacea Biotech Ltd. ("PBL")
- b. Enterprises over which the Company is exercising control in terms of IND-AS: Adveta Power Pvt Ltd (considered as Joint Venture under Indian GAAP)
- c. Subsidiaries/Joint Venture of PBL
 - Radhika Heights Ltd. ("RHL") (Wholly-owned subsidiary ("WOS") of PBL)
 - Ravinder Heights Limited (Wholly-owned subsidiary ("WOS") of PBL) (w.e.f. April 15, 2019)
 - Radicura Infra Ltd. (Indirect WOS of PBL through RHL)
 - Nirmala Buildwell Pvt. Ltd. (Indirect WOS of PBL through RHL)
 - Nirmala Organic Farms & Resorts Pvt. Ltd. (Indirect WOS of PBL through RHL)
 - Cabana Constructions Pvt Ltd. (Indirect WOS of PBL through RHL)
 - Cabana Structures Ltd. (Indirect WOS of PBL through RHL)
 - Sunanda Infra Ltd. (Indirect WOS of PBL through RHL)
 - Rees Investments Ltd. Guernsey ("Rees") (WOS of PBL) (liquidated on May 23, 2019).
 - Panacea Biotech (International) SA, Switzerland ("PBS") (WOS of PBL)
 - Panacea Biotech Germany GmbH (Germany) (Indirect WOS of PBL through PBS)
 - Chiron Panacea Vaccines Pvt. Ltd. (JV of PBL) (Under Liquidation)
 - Panacea Biotech Pharma Limited (PBPL) (WOS of PBL)
 - Meyten Realtech Private Limited (Meyten) (WOS of PBL) (w.e.f. April 12, 2019)
 - Panacea Refana Limited (JV of PBL) (w.e.f. July 14, 2020)
- d. Key Management Personnel:

Mr. Soshil Kumar Jain	- Chairman
Dr. Rajesh Jain	- Director
Mr. Sandeep Jain	- Director
Mr. Sumit Jain	- Director
Mr. Ashwani Jain	- Director
- e. Relatives of Key Management Personnel having controlling interest together with their relatives/associates*:
 1. Mr. Soshil Kumar Jain
 2. Mr. Sandeep Jain
 3. Mr. Sumit Jain
 4. Mrs. Sunanda Jain

* Relatives/associate holding Equity shares in the Company have been disclosed
- f. Enterprises over which person(s) having control or significant influence over the Company / Key management personnel (s) along with their relatives are able to exercise significant influence:
 1. Neophar Alipro Limited
 2. Lakshmi & Manager Holdings Ltd. ("LMH") and its subsidiaries Trinidhi Finance Pvt. Ltd. & Best General Insurance Company Ltd.



PanEra Biotech Private Limited

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

3. First Lucre Partnership Co.
4. OKI Estates Private Limited
5. Panacea Life Sciences Limited
6. White Pigeon Estate Pvt. Ltd.

- B. During the year, the Company had made transactions with Panacea Biotech Ltd. (of which Company has been treated as subsidiary for the purpose of consolidation of accounts in terms of Ind AS) as follows:-

(Amount in Rs.)		
Particulars	March 31, 2020	March 31, 2019
I. Transactions made during the year		
Payment towards Lease Rent	156,000	4,195,451
Reimbursement of Expenses/Losses	Nil	1,228,793
Payment towards Utility Charges	Nil	6,252,402
Sale of Finished & Semi-Finished Goods*	Nil	128,400,365
Development & Other Activities	Nil	6,929,103
Purchase of Raw Materials & Packing Materials**	Nil	Nil
Sale of Materials & Others*	178,192	92,824,791
II. Year-end balances:		
Payable on account of Utilities, Rent, Others, etc.	20,863,654	20,695,174
Advances received against supplies	22,770,901	22,981,167

* excludes taxes, duties, etc., if any.

** includes taxes, duties, etc., if any.

Company has made investment in Adveta Power Pvt Ltd. as follows:

(Amount in Rs.)		
Particulars	As at March 31, 2020	As at March 31, 2019
90,000 (March 31, 2019: 90,000) equity shares fully paid-up @ Rs.10 each.	900,000	900,000
2,570,138 (March 31, 2019: 2,570,138) preference shares (including interest paid/payable), 0.5% non-convertible non-cumulative redeemable, fully paid-up @ Rs.10 each.	25,701,380	25,701,380

37) Segmental Information

Based on the identical products dealt in by the Company, which have similar risks and returns, and also the similar economic conditions under which the Company operates, the entire business



PanEra Biotech Private Limited

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

has been considered as a single segment in terms of Accounting Standard – 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

- 38) a) The Company's interest in Adveta Power Pvt. Ltd. (considered as joint venture as per Indian GAAP) is as follows:

Name of the Company	Nature of relationship	Country of Incorporation	(%) Holding as on March 31, 2020	(%) Holding as on March 31, 2019
Adveta Power Pvt Ltd.	Joint Venture	India	50	50

- b) Aggregate interest of the Company in Assets, liabilities, revenue and expenses in Adveta Power Pvt. Ltd. is as follows:

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Current assets		
Cash and cash equivalents	51,415	76,987
Other current assets	18,569	11,122
Non-current assets		
Capital work-in-progress	14,568,275	14,568,275
Intangible assets under development	6,594	6,594

Particulars	As at March 31, 2020	As at March 31, 2019
Current liabilities		
Borrowings	12,850,690	12,850,690
Trade payables	1,433,828	1,238,393
Other financial liabilities	7,500	84,359
Other current liabilities	750	73,476

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue	Nil	Nil
Employee benefits expense	Nil	Nil
Other expenses	63,974	219,386



PanEra Biotech Private Limited

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

39) Leases

Assets taken under Operating Lease Agreement:

- The Company has taken various assets situated at Lalru, Punjab on operating lease agreements from its Associate, Panacea Biotech Ltd. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.
- Lease payments for the year are Rs.156,000 (March 31,2019: Rs.4,195,451)

The total of minimum future lease payments under non-cancellable operating lease:
(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Not later than 1 year	Nil	Nil
Later than 1 year but not later than 5 years	Nil	Nil
Later than 5 years	Nil	Nil

- The Company has also taken an office space from Panacea Biotech Ltd., situated at B-1 Extn. A-27, Mohan Co-operative Industrial Estate, New Delhi on operating lease.

The total of minimum future lease payments under operating lease mentioned above:
(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Not later than 1 year	Nil	24,000
Later than 1 year but not later than 5 years	Nil	Nil
Later than 5 years	Nil	Nil

- The Company has further taken a storage space (100 square feet) at Lalru, Punjab on operating lease from its Associate, Panacea Biotech Ltd. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.

The total of minimum future lease payments under operating lease mentioned above:
(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Not later than 1 year	Nil	5,000
Later than 1 year but not later than 5 years	Nil	Nil
Later than 5 years	Nil	Nil



PanEra Biotech Private Limited

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

40) Fair Value Measurements

i. Financial Instruments by category

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

(Amount in Rs.)

As at March 31, 2020	Fair value through profit & loss	Fair value through other comprehensive income	Amortised cost
Financial Assets:			
(i) Cash and cash equivalents	-	-	213,055
(ii) Other bank balances	-	-	Nil
(iii) Loans	-	-	434,291
(iv) Others financial assets	-	-	281,700
Total	-	-	929,046
Financial Liabilities:			
(i) Trade payables	-	-	73,208,163
(ii) Other financial liabilities	-	-	8,639,109
Total	-	-	81,847,272

As at March 31, 2019	Fair value through profit & loss	Fair value through other comprehensive income	Amortised cost
Financial Assets:			
(i) Cash and cash equivalents	-	-	873,328
(ii) Other bank balances	-	-	3,817,092
(iii) Loans	-	-	434,291
(iv) Others financial assets	-	-	266,811
Total	-	-	5,391,522
Financial Liabilities:			
(i) Trade payables	-	-	77,597,286
(ii) Other financial liabilities	-	-	8,125,508
Total	-	-	85,722,794



PanEra Biotech Private Limited

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

Bank balances and cash comprise cash and short-term deposits held by the Company. The carrying amount of these assets approximates their fair value.

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The management considers that the carrying amount of trade payables approximates to their fair value.

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard (Ind AS). An explanation of each level follows underneath the table.

ii. Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorized into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The different levels of fair value have been defined below:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

A. Financial assets and liabilities measured at fair value - recurring fair value measurements:

(Amount in Rs.)				
As at March 31, 2020	Note	Level 1	Level 2	Level 3
Financial Assets:				
(i) Cash and cash equivalents	11	-	-	213,055
(ii) Other bank balances	12	-	-	Nil
(iii) Loans	13	-	-	434,291
(iv) Others financial assets	7	-	-	281,700
Total				929,046
Financial Liabilities:				
(i) Trade payables	18	-	-	73,208,163
(ii) Other financial liabilities	19	-	-	8,639,109
Total		-	-	81,847,272



PanEra Biotech Private Limited

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

(Amount in Rs.)

As at March 31, 2019	Note	Level 1	Level 2	Level 3
Financial Assets:				
(i) Cash and cash equivalents	11	-	-	873,328
(ii) Other bank balances	12	-	-	3,817,092
(iii) Loans	13	-	-	434,291
(iv) Others financial assets	7	-	-	266,811
Total		-	-	5,391,522
Financial Liabilities:				
(i) Trade payables	18	-	-	77,597,286
(ii) Other financial liabilities	19	-	-	8,125,508
Total		-	-	85,722,794

B. Fair value of financial assets and liabilities measured at amortized cost

(Amount in Rs.)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
(i) Cash and cash equivalents	213,055	213,055	873,328	873,328
(ii) Other bank balances	Nil	Nil	3,817,092	3,817,092
(iii) Loans	434,291	434,291	434,291	434,291
(iv) Others financial assets	281,700	281,700	266,811	266,811
Total	929,046	929,046	5,391,522	5,391,522
Financial Liabilities:				
(i) Trade payables	73,208,163	73,208,163	77,597,286	77,597,286
(ii) Other financial liabilities	8,639,109	8,639,109	8,125,508	8,125,508
Total	81,847,272	81,847,272	85,722,794	85,722,794

The management assessed that security deposits, loan to related party, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:



PanEra Biotec Private Limited

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

(i) Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(ii) The fair values of the Company's loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

41) Financial risk management

Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

CREDIT RISK

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

Asset group	Basis of categorization	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Other financial assets	Life time expected credit loss or fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic condition



PanEra Biotech Private Limited

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

(Amount in Rs.)

Credit rating	Particulars	As at March 31, 2020	As at March 31, 2019
A: Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets except trade receivables	27,530,426	31,992,902
B: Medium credit risk	Other financial assets	-	-
C: High credit risk	Other financial assets	-	-

A. Credit risk exposure

Provision for expected credit losses

As at March 31, 2020

(Amount in Rs.)

Particulars	Estimated gross carrying amount at default	Expected credit Losses	Carrying amount net of impairment provision
Loans	184,291	-	184,291
Other financial assets	281,700	-	281,700

As at March 31, 2019

(Amount in Rs.)

Particulars	Estimated gross carrying amount at default	Expected credit Losses	Carrying amount net of impairment provision
Loans	184,291	-	184,291
Other financial assets	266,811	-	266,811

B. 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.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.



PanEra Biotec Private Limited

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

Contractual Maturities of financial liabilities

The tables below analyses the financial liabilities into relevant maturity groupings based on their contractual maturities.

(Amount in Rs.)				
March 31, 2020	Less than and equal to 1 year	1 - 2 years	2 - 3 years	More than 3 years
Current				
(i) Trade payables	73,208,163	-	-	-
(ii) Other financial liabilities	8,639,109	-	-	-
Total	81,847,272	-	-	-

(Amount in Rs.)				
March 31, 2019	Less than and equal to 1 year	1 - 2 years	2 - 3 years	More than 3 years
Current				
(i) Trade payables	77,597,286			
(ii) Other financial liabilities	8,125,508			
Total	85,722,794			

C. Market Risk

Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, EURO, CHF and GBP. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited and the Company hence does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes

(Amount in Rs.)				
Currency	Profit for the year +5%		Profit for the year -5%	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD	-	-	-	-
EURO	124,678	124,678	112,804	112,804



PanEra Biotec Private Limited

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

42) Capital Management Policies

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position and cash flow hedges recognized in other comprehensive income.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The amounts managed as capital by the Company are summarized as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current Borrowings	-	-
Current Borrowings	-	-
Cash and cash equivalents	213,055	873,328
Net debt	213,055	873,328
Total equity	(60,726,249)	(60,205,927)
Net debt to equity ratio	-0.35%	-1.45%

43) Employee Benefit Obligations

1) Gratuity

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the group makes contributions to recognized funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.



PanEra Biotec Private Limited

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

The amounts recognized in the Statement of Financial Position and the movements in the net defined benefit obligation over the year are as follows:

a) (Amount in Rs.)

Reconciliation of present value of defined benefit obligation and the fair value of plan assets	As at March 31, 2020	As at March 31, 2019
Present value obligation as at the end of the year	Nil	10,144,886
Fair value of plan assets as at the end of the year	3,499,574	3,295,291
Liability transferred to its associate company – Panacea Biotec Ltd. (Refer note 44)	Nil	6,849,595
Net liability (asset) recognized in balance sheet	Nil	Nil

b) (Amount in Rs.)

Changes in defined benefit obligation	As at March 31, 2020	As at March 31, 2019
Present value obligation as at the start of the year	3,295,291	10,106,813
Interest cost	249,073	247,607
Service cost	11,982	40,148
Benefits paid	(32,808)	(169,386)
Actuarial loss/(gain) on obligations	Nil	(80,296)
Liability transferred to associate company – Panacea Biotec Ltd. (Refer note 44)	Nil	6,849,595
Present value obligation as at the end of the year	3,499,574	3,295,291

c) (Amount in Rs.)

Amount recognized in the statement of profit and loss	As at March 31, 2020	As at March 31, 2019
Current service cost	11,982	40,148
Net Interest cost	249,073	167,311
Amount recognized in the statement of profit and loss	Nil	Nil



PanEra Biotec Private Limited

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

d) (Amount in Rs.)

Other Comprehensive Income	As at March 31, 2020	As at March 31, 2019
Net cumulative unrecognized actuarial gain/(loss) opening	Nil	Nil
Actuarial gain/(loss) on arising from change in demographic assumption	Nil	Nil
Actuarial gain/(loss) on arising from change in financial assumption	Nil	Nil
Unrecognized actuarial gain/(loss) at the end of the year	Nil	Nil

e) (Amount in Rs.)

Actuarial assumptions	As at March 31, 2020	As at March 31, 2019
Discount rate	NA	NA
Future salary increase	NA	NA

f) (Amount in Rs.)

Demographic Assumption	As at March 31, 2020	As at March 31, 2019
Retirement Age (Years)	NA	NA
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
Ages	Withdrawal Rate (%)	
Up to 30 years	NA	NA
From 31 to 44 years	NA	NA
Above 44 years	NA	NA

g) (Amount in Rs.)

Sensitivity analysis for gratuity liability	As at March 31, 2020	As at March 31, 2019
Impact of the change in discount rate		
Present value of obligation at the end of the year	3,499,574	3,295,291
a) Impact due to increase of 0.50%	Nil	Nil
b) Impact due to decrease of 0.50%	Nil	Nil



PanEra Biotec Private Limited

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

h) (Amount in Rs.)

Sensitivity analysis for gratuity liability	As at March 31, 2020	As at March 31, 2019
Impact of the change in salary increase		
Present value of obligation at the end of the year	3,499,574	3,295,291
a) Impact due to increase of 0.50%	Nil	Nil
b) Impact due to decrease of 0.50%	Nil	Nil

i) (Amount in Rs.)

Maturity Profile of Defined Benefit Obligation	As at March 31, 2020	As at March 31, 2019
April 2016 to March 2017	Nil	Nil
April 2017 to March 2018	Nil	Nil
April 2018 to March 2019	Nil	Nil
April 2019 to March 2020	Nil	Nil
Maturity Profile of Defined Benefit Obligation	As at March 31, 2020	As at March 31, 2019
April 2020 to March 2021	Nil	Nil
April 2021 to March 2022	Nil	Nil
April 2022 to March 2023	Nil	Nil
April 2023 onwards	Nil	Nil

Defined Contribution Plans

The Company's Officer's state governed provident fund scheme, employee state insurance scheme and Labour Welfare Fund scheme are considered as defined contribution plans. The contribution under the schemes is recognized as an expense in the Statement of Profit and Loss, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective funds.

- 44) During the previous year, with a view to streamline and consolidate its business operations, Panacea Biotec decided to consolidate its entire vaccine manufacturing activities including the activity of manufacturing of bulk vaccines and antigens being currently undertaken by the Company into Panacea Biotec. Consequently a 'Transition and Termination Agreement' to the existing Agreements for Providing Manufacturing Facility, Utilities and Transfer of Raw Materials ("Facility Agreement") and Supply Agreement both dated March 31, 2017 entered into with the Company, has been entered into on March 31, 2018 which has become effective on May 25, 2018. All the employees of the Company have been transferred to Panacea Biotec Ltd. with continuity of service. Accordingly, the accrued retirement benefits of the said employees have been transferred to Panacea Biotec.



PanEra Biotec Private Limited

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

- 45) During the year ended March 31, 2020, the Company incurred a loss of Rs.520,322 (Previous year loss of Rs.967,346), resulting into erosion of 100% net worth of the Company on account of termination of above referred agreements with Panacea Biotec Ltd. However, the Company is exploring various options to improve the net worth and business in future.
- 46) In view of the fact that in terms of Ind AS, the Company has been treated as Subsidiary of Panacea Biotec Limited and Adveta Power Private Limited ("Adveta") has been treated as subsidiary of the Company and also the fact that pursuant to the Companies (Accounts) Amendment Rules, 2016 notified on July 27, 2016, issued by the Ministry of Corporate Affairs, New Delhi, in case the Financial Statements of a step-down subsidiary are consolidated by the Ultimate Holding Company, the Holding Company is not required to consolidate the Financial Statements of the said step-down subsidiary, the Financial Statements of Adveta have not been consolidated with the Financial Statements of the Company as the same shall be consolidated by Panacea Biotec Limited, the Parent Company of the Company with its Financial Statements.
- 47) Previous year figures have been reworked, rearranged and reclassified wherever necessary to make them comparable with the current year's figures.

As per our separate report of even date attached

For Sudhir Sunil & Co

Firm registration number: 8345N
Chartered Accountants



Per Mahima Kapoor
Partner
Membership No.514276

Place - New Delhi
Date - June 29, 2020



**For and on behalf of the Board of Directors
of PanEra Biotec Private Limited**



Rajesh Jain
Director
DIN: 00013053



Sandeep Jain
Director
DIN: 00012973

PanEra Biotech Private Limited

FORM NO. AOC-1

(Pursuant to first provision to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rule, 2014

Statement containing salient features of the financial statement of joint venture

Financial details of Joint Ventures *

Amount in Rs.										
S. No.	Name of Joint Venture	Latest audited Balance Sheet date	Shares of Joint Ventures held by the Company on the year end			Networth attributable to Shareholding as per latest audited Balance sheet	Profita/Loss for the year		Description of how there is significant influence	Reason why the Joint Venture is not consolidated
			No. of Shares*	Amount of Investment in Joint Venture*	Extend of Holding %		Considered in Consolidation	Not Considered in consolidation		
Domestic										
1	Adveta Power Pvt. Ltd.	31.03.2020	90,000	900,000	50	704,168	-	-	Note A	NA
* excluding preference shares										

* excluding preference shares

Note A: There is significance influence due to percentage (%) of Share Capital

For and on behalf of the Board of Directors
of PanEra Biotech Private Limited

Rajesh Jain

Rajesh Jain
Director
DIN: 00013053

Sandeep Jain

Sandeep Jain
Director
DIN: 00012973



Place - New Delhi
Date - June 29, 2020